Bureau of the Fiscal Service

FY 2016
President's Budget

February 2, 2015

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Section 1 – Purpose

1A – Mission Statement

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

1.1 – Appropriations Detail Table

Dollars in Thousands

Fiscal Service	FY 2014		FY 2015		FY 2016		FY 2015 to FY 2016			
Appropriated Resources	Enacted		Enacted		Request		$ Change		% Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
New Appropriated Resources:										
Collections	108	21,531	108	24,293	106	26,609	(2)	2,316	-1.85%	9.53%
Do Not Pay Business Center	7	5,000	7	5,064	7	5,116	0	52	0.00%	1.03%
Government Agency Investment Services	65	13,704	65	13,055	64	13,074	(1)	19	-1.54%	0.15%
Government-wide Accounting and Reporting	308	65,486	308	65,486	281	68,553	(27)	3,067	-8.77%	4.68%
Payments	525	126,636	490	121,715	482	133,179	(8)	11,464	-1.63%	9.42%
Retail Securities Services	528	100,789	528	95,237	519	94,145	(9)	(1,092)	-1.70%	-1.15%
Summary Debt Accounting	37	4,737	37	4,325	36	4,243	(1)	(82)	-2.70%	-1.90%
Wholesale Securities Services	98	22,282	93	19,009	91	18,931	(2)	(78)	-2.15%	-0.41%
Subtotal New Appropriated Resources	**1,676**	**$360,165**	**1,636**	**$348,184**	**1,586**	**$363,850**	**(50)**	**$15,666**	**-3.06%**	**4.50%**
Other Resources:										
Reimbursables	714	239,342	714	216,863	701	227,901	(13)	11,038	-1.82%	5.09%
Subtotal Other Resources	**714**	**$239,342**	**714**	**$216,863**	**701**	**$227,901**	**(13)**	**$11,038**	**-1.82%**	**5.09%**
Total Budgetary Resources	**2,390**	**$599,507**	**2,350**	**$565,047**	**2,287**	**$591,751**	**(63)**	**$26,704**	**-2.68%**	**4.73%**

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

1B – Vision, Priorities and Context

The Bureau of the Fiscal Service (Fiscal Service) is guided by its vision to transform the way the government manages its finances and delivers shared services. Our efforts are focused on maximizing efficiencies, transparency, and accountability with the goal of improving government-wide financial management and the delivery of shared services. These themes are reinforced through our Strategic Goals which promote leadership and innovation, an engaged and highly effective workforce, delivery of exceptional programs and services, data transparency and usefulness, and expansion of shared services.

The Fiscal Service plays a key role in supporting three of the Department of the Treasury's strategic goals: ***Promote domestic economic growth and stability while continuing reforms of the financial system; Fairly and effectively reform and modernize federal financial management, accounting, and tax systems; and Create a 21st Century approach to government by improving efficiency, effectiveness and customer interaction.*** The Fiscal Service is committed to delivering strong leadership, exceptional operational services, and a clear vision focused on positive transformational change of Government-wide financial management and shared services. Operationally, the 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; borrows the money needed to operate the federal government; handles all Treasury debt financing operations; issues, services, and accounts for all Treasury marketable securities and non-marketable securities; provides reimbursable support services to federal agencies; and manages the collection of delinquent debt.

FY 2014 Accomplishments

The Fiscal Service has a clear vision focused on positive transformational change of government-wide financial management and shared services. In FY 2014, Fiscal Service completed the following priorities:

Data Transparency

- Assumed program responsibility over USAspending.gov and began work to make improvements to enhance the user experience and search functionality of the website.
- Established governance and implementation structure for the Digital Accountability and Transparency Act of 2013 (DATA Act).

Government-wide Shared Services

- In collaboration with the Office of Management and Budget (OMB), Treasury designated four federal financial management shared service providers to provide common services to large Chief Financial Officer agencies.

Collections

- Collected 98 percent of the $3.73 trillion total federal revenue electronically.
- Implemented a second payment service provider (digital wallet) to expand the E-Commerce solution.

Debt Collections

- Collected more than $6.91 billion of delinquent debt including a record $415 million from Cross-Servicing where each collection tool had double digit growth. Administrative Wage Garnishment collections for FY 2014 totaled $56 million, a 39 percent increase from the previous fiscal year.
- Implemented Centralized Receivables Service (CRS) fully into Fiscal Service operations, invoicing over $20.8 million in receivables and collecting over $13.8 million.

Do Not Pay Business Center

- Integrated Do Not Pay (DNP) into the Treasury payment processing stream to stop payments based on agency business rules.

Government Agency Investment Services

- Continued operational excellence as evidenced by the collection and disbursement of interest and principle amounts.
- Received an unmodified opinion on the Statement on Standards for Attestation Engagements 16 reviews for both agency and debt accounting.

Government-wide Accounting and Reporting

- Implemented and migrated all agencies onto the Government-wide Treasury Account Symbol Adjusted Trial Balance System.

- Successfully closed 13 Government Accountability Office (GAO) audit recommendations as part of producing the 2013 Financial Report of the U.S. Government.

Payments
- Disbursed over 1.1 billion federal payments with a total dollar value of nearly $2.5 trillion of which 94.4 percent were disbursed electronically.
- Exceeded the FY 2014 target to process over 300,000 invoices in electronic form. Additionally, federal agencies are lining up to use Invoice Processing Platform (IPP) service, with five agencies signing participation agreements this year and OMB proposing a mandate requiring most civilian agencies to adopt IPP by 2018.
- Led over 200 government organizations to convert their financial systems to the new Payment Automation Manager (PAM) payment format.

Retail Security Services
- Prepared for the implementation of the *my*RA program, including designating a financial agent to offer custody and customer service, after it was announced by the President during his State of the Union address in January 2014. Published regulation changes ending the reissue of paper savings bonds.
- Issued and serviced $26.9 billion in savings and marketable securities held by 570,497 investors in the online TreasuryDirect system.

Summary Debt Accounting
- Maintained operational excellence as evidenced by the accurate accounting and reporting for the nearly $18 trillion public debt.
- Received an unmodified audit opinion on the GAO audit of the Schedules of Federal Debt.

Wholesale Security Services
- Introduced the Floating Rate Note security in January 2014 – the first new Treasury marketable security in 17 years.
- Conducted 271 auctions and awarded $7.24 trillion in Treasury marketable securities.

FY 2015 Priorities

In FY 2015, Fiscal Service is focusing on the following priorities:

Data Transparency
- Data Transparency – Begin implementation of the DATA Act through the development of Data Standards, establishment of Data Repositories, support of Open Data Policy, and the development of an Intelligent Data Prototype.
- Data Transparency – Develop a comprehensive USAspending.gov improvement plan including stakeholder engagement strategy, governance framework, and incremental improvements.

Government-wide Shared Services
- Create a Government-wide strategy, roadmap, and oversight organization to facilitate the matching of agencies to Federal Shared Service Providers; continue to benchmark federal financial management processes and build a Products and Services Catalog consistent with

the shared services model; and facilitate the acceptance of electronic invoicing across government.

Operational Excellence

- Organizational Culture – Foster employee engagement, inclusion, and cross-organizational cooperation at all levels of the bureau.
- Organizational Culture – Underscore the value of effective human capital management through a corporate commitment to strategic and workforce planning, organizational development, workforce diversity, and employee growth and skill set development.
- Efficiency – Support government-wide efforts to reduce the federal real estate footprint through the effective management, planning, and execution of new/extended leases for bureau locations.

Collections

- Support Treasury's initiative of having non-tax collections and remittances submitted electronically to reduce costs, improve accuracy, increase options available to citizens, and implement state-of-the-art E-Commerce solutions for processing revenue collections transactions.

Debt Collections

- Increase the number of participating agency programs leveraging CRS.
- Continue to increase the collection of delinquent debt by expanding state programs and payment streams in the Treasury Offset Program.

Do Not Pay

- Expand agency participation in DNP as well as expand analytics to assist agencies in monitoring and determining the amount of improper payments prevented.

Government-wide Accounting and Reporting

- Improve the central accounting and reporting function by aggressively pursuing resolutions to material weaknesses in the Financial Report and completing the multi-year system modernization effort.

Payments

- Continue the modernization of the federal payment process by implementing the Standard Payment Request format among all agencies and reaching the first-year milestones of the Post Payment System development project.
- Continue to advance electronic payments by increasing rates of electronic tax refunds and vendor payments, and vigorously promote Treasury disbursing services to federal agencies that make their own payments.
- Increase electronic collections, forms, and bills on Pay.gov as well as to further enhance Pay.gov to support on-line banking, digital wallets, e-Billing, the E-Commerce efforts, and a fraud monitoring and prevention solution.

Retail Securities Services

- Successfully implement the *my*RA program, a new retirement account option for individuals.
- Begin implementation of the retail vision and roadmap; implement secure portal functionality to include customer self-service and web chat; as well as develop plans for a modernized retail sales and service system.

Wholesale Securities Services

- Continue migrating Treasury Automated Auction Processing Systems (TAAPS) into a modern, stable technical infrastructure.

FY 2016 Priorities

In FY 2016, Fiscal Service will focus on the following priorities:

Data Transparency

- Continue implementation of the DATA Act to include necessary government-wide financial system enhancements, inclusion of place-based reporting capabilities (referred to as geocoding), and providing assistance to other agencies as needed.

Government-wide Shared Services

- Government-wide Shared Services – Improve government-wide fiscal operations by facilitating agencies' migration to a shared service model for financial systems.

Collections

- Promote expanded acceptance of the US Debit Card/Card Management Services model and continue to advance the E-Commerce in support of Treasury's initiative to have non-tax collections and remittances submitted electronically to reduce costs, improve accuracy, and increase options available to citizens.

Do Not Pay Business Center

- Improve federal fiscal management by expanding agency use of DNP to reduce improper payments and expand its use to federally funded state programs.

Government-wide Accounting and Reporting

- Continue towards obtaining a clean audit of the Financial Report by FY 2018 by verifying and eliminating intergovernmental differences.
- Strengthen effective government-wide accounting by providing Central Accounting and Reporting System (CARS) operational and technical support during the transition of federal program agencies to CARS.

Payments

- Continue to vigorously promote Treasury disbursing services to federal agencies that make their own payments.
- Enhance federal reporting and query capabilities by enabling agencies to submit claims electronically through improvements in the Post Payment System (PPS). Pursue enhancements to the Stored Value Card (SVC) program, including consolidating processing platforms and researching the feasibility of expanding SVC to include Basic Training and Service Academies.

- Further expand agency use of Invoice Processing Platform (IPP) while adding functionality that enables wire and benefit payments.

Retail Securities Services

- Enhance investment opportunities for American citizens through focused efforts on educating the public and increasing participation in the *my*RA Program.
- Introduce enhancements to federal securities management and educate current and potential customers about the new Treasury Retail Investment Management system; eliminate final channels for issuing paper savings bonds.

Wholesale Securities Services

- Introduce state-of-the-art enhancements to modernize the technical infrastructure on which the TAAPS resides.

Debt Collections

- Expand the use of state-of-the-art mechanisms and strategies for maximizing the collection of delinquent debt.

Section 2 – Budget Adjustments and Appropriation Language

2.1 – Budget Adjustments Table

Dollars in Thousands

Fiscal Service	FTE	Amount
FY 2015 Enacted	**1,636**	**$348,184**
Changes to Base:		
Maintaining Current Levels (MCLs):	-	$5,888
Pay-Raise	-	$2,382
Pay Annualization	-	$609
FERS Contribution Increase	-	$911
Non-Pay	-	$1,986
Efficiency Savings:	(50)	($8,480)
Rent and Space Savings	-	($1,900)
Consolidation Savings	(50)	($6,580)
Subtotal Changes to Base	(50)	($2,592)
Total FY 2016 Base	**1,586**	**$345,592**
Program Changes:		
Program Decreases:	-	($1,530)
Retail Securities Services Savings	-	($1,308)
Summary Debt Accounting Savings	-	($119)
Wholesale Securities Services Savings	-	($103)
Program Increases:	-	$19,788
DATA Act Implementation	-	$19,788
Total FY 2016 Request	**1,586**	**$363,850**

2A – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) ....+$5,888,000 / +0 FTE

Pay-Raise +$2,382,000 / +0 FTE

Funds are requested for the proposed January 2016 pay-raise.

Pay Annualization +$609,000 / +0 FTE

Funds are requested for annualization of the January 2015 pay-raise.

FERS Contribution Increase +$911,000 / +0 FTE

Funds are requested for increases in agency contributions to the Federal Employee Retirement System based on updated actuarial estimates.

Non-Pay +$1,986,000 / +0 FTE

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

Efficiency Savings ....-$8,480,000 / -50 FTE

Rent and Space Savings -$1,900,000 / +0 FTE

Savings are a result of releasing two floors in the Hyattsville, Maryland location in an effort to more efficiently utilize the space currently available and reduce the bureau footprint.

Consolidation Savings -$6,580,000 / -50 FTE
As the Fiscal Service continues the integration efforts related to the consolidation, savings are realized from staff rationalization through the elimination of duplicate positions and restructuring of the workforce, with personnel separating by attrition.

Program Decreases .... -$1,530,000 / +0 FTE
Retail Securities Services Savings -$1,308,000 / +0 FTE
Identified anticipated savings related to contracts being re-bid as well as decreased printing costs.

Summary Debt Accounting Savings -$119,000 / +0 FTE
Identified anticipated contract savings associated with a minor decrease in audit expenses.

Wholesale Securities Services Savings -$103,000 / +0 FTE
Savings associated with decreases in printing, travel, supplies, and small contracts.

Program Increases .... +$19,788,000 / +0 FTE
DATA Act Implementation +$19,788,000 / +0 FTE
Funding is requested to support the implementation of Treasury's responsibilities under the DATA Act. Specifically, Treasury, in collaboration with the Office of Management and Budget (OMB), will lead the government-wide implementation of the DATA Act and associated financial data standards. Treasury will operationalize a "data centric" approach to enable timely access to discoverable and reusable financial data. This approach includes establishing data exchange standards and standard taxonomies for Federal transparency reporting and the corresponding governance required to manage the standards. Treasury will also work with agencies to link financial and management (e.g., financial assistance and procurement) data to improve the completeness and accuracy of Federal spending information.

Funds will also support activities associated with providing consistent, reliable, and searchable Government-wide spending data on USAspending.gov. This includes developing the technical platform/architecture to collect data across disparate systems in the Federal Government for publication. Funds will also support developing visualizations to improve the user experience as well as support ongoing outreach to key stakeholder groups to gather feedback.

Funds will also support enhancing place-based reporting capabilities (referred to as geocoding). This includes conducting research on the best approach to collect location information associated to Federal awards and research on how to best improve the quality and accuracy of current place-based reporting.

2.2 – Operating Levels Table

Dollars in Thousands

Fiscal Service Object Classification	FY 2014 Actual	FY 2015 Enacted	FY 2016 Request
11.1 - Full-time permanent	130,555	154,819	141,854
11.3 - Other than full-time permanent	929	2,034	2,034
11.5 - Other personnel compensation	2,707	6,947	6,148
11.8 - Special personal services payments	100	0	0
11.9 - Personnel Compensation (Total)	**134,291**	**163,800**	**150,036**
12.0 - Personnel benefits	40,904	43,402	40,429
13.0 - Benefits for former personnel	1,493	220	206
Total Personnel and Compensation Benefits	**$176,688**	**$207,422**	**$190,671**
21.0 - Travel and transportation of persons	1,665	1,660	1,732
22.0 - Transportation of things	230	259	241
23.1 - Rental payments to GSA	25,385	26,728	25,214
23.2 - Rental payments to others	957	979	519
23.3 - Communication, utilities, and misc charges	7,468	11,598	9,580
24.0 - Printing and reproduction	239	702	399
25.1 - Advisory and assistance services	9,522	6,127	19,302
25.2 - Other services	21,198	10,282	17,517
25.3 - Other purchases of goods & serv frm Govt accounts	96,859	71,646	88,936
25.4 - Operation and maintenance of facilities	3,277	991	1,041
25.6 - Medical care	0	2	2
25.7 - Operation and maintenance of equip	2,978	1,900	2,100
26.0 - Supplies and materials	2,004	3,226	2,763
31.0 - Equipment	1,034	2,777	2,769
32.0 - Land and structures	6,357	1,835	1,014
42.0 - Insurance claims and indemnities	7	50	50
43.0 - Interest and dividends	1	0	0
Total Non-Personnel	**179,181**	**140,762**	**173,179**
Subtotal New Appropriated Resources	**$355,869**	**$348,184**	**$363,850**
Budget Activities:			
Collections	30,469	24,293	26,854
Do Not Pay Business Center	5,044	5,854	5,987
Government Agency Investment Services	20,230	15,219	15,459
Debt Collection	139,377	122,597	128,733
Government-wide Accounting and Reporting	70,071	66,365	70,062
Payments	188,231	191,964	205,095
Retail Securities Services	112,649	111,154	111,685
Summary Debt Accounting	19,059	5,073	5,067
Wholesale Securities Services	15,186	22,528	22,809
Total Budgetary Resources	**$600,316**	**$565,047**	**$591,751**
FTE	**2,048**	**2,350**	**2,287**

2B – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
DEPARTMENT OF THE TREASURY THE BUREAU OF THE FISCAL SERVICE Federal Funds **SALARIES AND EXPENSES** For necessary expenses of operations of the Bureau of the Fiscal Service, **[**$348,184,000**]** *$363,850,000*; of which not to exceed $4,210,000, to remain available until September 30, **[**2017**]** *2018*, is for information systems modernization initiatives; **[**and**]** of which $5,000 shall be available for official reception and representation expenses*; and of which not to exceed $19,800,000, to remain available until September 30, 2018, is to support the Department's activities related to implementation of the Digital Accountability and Transparency Act (DATA Act; Public Law 113–101), including changes in business processes, workforce, or information technology to support high quality, transparent Federal spending information*. 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. *(Department of the Treasury Appropriations Act, 2015.)*	Multi-year funding is needed to minimize risk and enable compliance with the Digital Accountability and Transparency Act of 2014.

2C – Permanent, Indefinite Appropriations

Federal Reserve Bank Permanent, Indefinite Appropriation

The Federal Reserve Banks (FRBs) act as fiscal agents of the United States when directed by the Secretary of the Treasury in accordance with 12 U.S.C. 391. The FRBs support the fiscal operations and provide banking and financial services on behalf of the Treasury of the United States. Since the FRBs support many Fiscal Service program activities, the performance measures listed in the Salaries and Expense section of this budget apply to the work performed by the FRBs. Fiscal Service estimates that the cost of FRB services for FY 2016 will be approximately $397.3 million.

Reimbursements to the Federal Reserve Banks

Public Law 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. A permanent, indefinite account was established in FY 1992 for activities supporting the administration of the public debt. Claims for reimbursements are closely monitored for compliance with the Instructions for Filing Reimbursement Claims for Fiscal Agent Services Provided to the Fiscal Service. Funding for FY 2016 is estimated at $123 million.

Financial Agent Services Permanent, Indefinite Appropriation

Congress has given the Secretary of the Treasury broad discretion to deposit money in financial institutions and obtain banking services by designating financial institutions to act/serve as Financial Agents (FA) of the United States. The services support many Fiscal Service programs, such as Electronic Federal Tax Payment System (EFTPS), the Lockbox Networks, E-Commerce systems, and the deposit reporting and cash concentration system called the Collections Information Repository. These and other programs are vital to the Fiscal Service's strategic goals, the National Financial Critical Infrastructure, and the expanding E-Government. The services provided by the FAs are authorized under numerous statutes including, but not limited to, 12 U.S.C. 90 and 265.

In FY 2004, Treasury received a permanent, indefinite appropriation to pay for these services. Fiscal Service estimates that the cost of FA services for FY 2016 will be approximately $673 million, which includes $3 million for Government Sponsored Enterprise - Mortgage Backed Securities administrative costs.

Government Losses in Shipment

Public Law 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 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, which 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 Commissioner of the Fiscal Service. In FY 2016, the funding estimated to support payments for the replacement of valuables is nearly $1.1 million.

2.3 – Permanent, Indefinite Appropriations Table

(Dollars in Thousands)

Permanent, Indefinite Appropropriation	2014 Enacted	2015 Request	2016 Request
Federal Reserve Bank [1/]	$ 395,000	$ 395,000	$ 397,300
Reimbursements to the Federal Reserve Banks	$ 110,000	$ 127,000	$ 123,000
Financial Agent Services [1/] [2/]	$ 645,000	$ 673,000	$ 673,000
Government Losses in Shipment	$ 1,098	$ 1,098	$ 1,098

[1/] Approximately $75M is reimbursed from other government agencies and deposited into the General Fund each year.

[2/] FY 2014, FY 2015, and FY 2016 include costs for the Government Sponsored Enterprise - Mortgage Backed Securities administrative costs of $9M, $3M, and $3M respectively.

2D – Legislative Proposals
The following legislative initiatives are proposed for inclusion in appropriate authorizing bills.

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

Under current law, the U.S. Department of the Treasury, 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 would allow the Fiscal Service to offset federal income tax refunds to collect delinquent state tax obligations regardless of where the debtor resides. For further details on this proposal, please see the Treasury Green Book.

2. **Reduce costs for states collecting delinquent income tax obligations**. *Estimated savings: $142.9 million over 10 years (no federal revenue)*

Under current law, the U.S. Department of the Treasury, Bureau of 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 require 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 would 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.

3. **Increase delinquent federal tax debt collections. Increase levy authority for payments to Medicare providers with delinquent tax debt.** *Estimated collections: $514 million over 10 years*

The Administration proposes a change to the Department of the Treasury's debt collection procedures that will increase the amount of delinquent taxes collected from Medicare providers. Under current law, Treasury is authorized to continuously levy up to 30 percent of a payment to a Medicare provider to collect delinquent tax debt. The proposal would allow Treasury to levy up to 100 percent of a payment to a Medicare provider to collect unpaid taxes, effective for payments made after the date of enactment. For further details on this proposal, please see the Treasury Green Book.

4. **Increase delinquent federal non-tax debt collections. Authorize administrative bank garnishment for non-tax debts**. *Estimated collections: $320 million over 10 years*

To reach income of commercial entities and other non-wage income and funds available to debtors owing delinquent non-tax obligations to the United States, this proposal would authorize agencies to issue garnishment orders to financial institutions without a court order. Agencies would be required to provide debtors with appropriate due process and other protections to ensure that debtors have had the opportunity to contest the debts and/or enter into repayment agreements to avoid issuance of an order. The Internal Revenue Service currently has similar authority to collect federal tax debts.

By way of background, the Debt Collection Improvement Act of 1996 authorized federal agencies to collect delinquent non-tax debt by garnishing the wages of debtors without the need to first obtain a court order. Since July 2001, the U.S. Department of the Treasury's Bureau of the Fiscal Service alone has collected $221.4 million in garnished wages (as of December 31, 2014) on behalf of federal agencies. In addition, the ability of agencies to garnish wages motivates many debtors to resolve outstanding delinquencies before such action can be initiated. This successful collection mechanism, however, reaches only those debtors who earn wages.

The proposed authority would be available only to garnish commercial accounts of debtors that owe delinquent non-tax debts, and would not be available to garnish consumer accounts. The legislation would direct the Secretary of the Treasury to issue government-wide regulations implementing this authority.

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

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

6. **Provide authority to contact delinquent debtors via their cell phones.** *Estimated collections: $120 million over 10 years*

The Budget proposes to clarify that the use of automatic dialing systems and prerecorded voice messages is allowed when contacting wireless phones in the collection of debt owed to or granted by the United States. In this time of fiscal constraint, the Administration believes that the Federal Government should ensure that all debt owed to the United States is collected as quickly and efficiently as possible and this provision could result in millions of defaulted debt being collected. While protections against abuse and harassment are appropriate, changing technology should not absolve these citizens from paying back the debt they owe their fellow citizens. The proposal would also allow the Federal Communications Commission to implement rules to protect consumers from being harassed and contacted unreasonably.

Section 3 – Budget and Performance Plan

3A – Collections

($26,609,000 from direct appropriations and $245,000 from reimbursable resources):
The Collections Program supports Treasury's strategic 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.

The Fiscal Service continues to promote the use of electronic systems in the collections process and to assist agencies in converting collections from paper to electronic media with programs such as:

- *Electronic Federal Tax Payment System (EFTPS):* The Fiscal Service has been working to communicate the benefits of EFTPS – accuracy, security, simplicity, and flexibility – to financial institutions, small businesses, and tax practitioners. The goal is to continue to require businesses to pay their federal taxes electronically. EFTPS is a critical system that collects approximately 83 percent of all federal tax revenue.

- *Pay.gov*: Pay.gov is a system allowing individuals and businesses to make non-tax payments to federal agencies over the internet. Recent developments have focused on a mobile-friendly user interface, incorporation of digital wallet providers PayPal and Dwolla, and enhanced functionality in the areas of electronic billing and electronic forms. Pay.gov currently serves 175 federal agencies representing 1,053 cash flows. In FY 2014, collections through Pay.gov totaled approximately $118 billion through the processing of 138.6 million transactions.

- *Check Conversion and Truncation:* The Fiscal Service is employing strategies to reduce the number of paper checks it receives and to ensure that those it does receive are converted or truncated for electronic processing. The Over the Counter Channel Application (OTCnet) and Electronic Check Processing (ECP) are programs that provide a complete electronic record of all check images and related financial data accessible by agencies and eliminate the need to photocopy checks, safeguard checks, or process paper. In FY 2014, checks collected and converted or truncated through OTCnet and ECP totaled approximately $475 billion.

Description of Performance:
The measure, *Percentage Collected Electronically of Total Dollar Amount of Federal Government Receipts* refers to the dollar value of collections received (settled) electronically. In FY 2014, 98 percent of collections were settled electronically. The Fiscal Service expects to maintain an electronic collections rate of at least 98 percent in FY 2015 and FY 2016.

3.1.1 – Collections Budget and Performance Plan

Dollars in Thousands

Collections Budget Activity								
Resource Level	**FY 2009 Actuals**	**FY 2010 Actuals**	**FY 2011 Actuals**	**FY 2012 Actuals**	**FY 2013 Actuals**	**FY 2014 Actuals**	**FY 2015 Enacted**	**FY 2016 Request**
Appropriated Resources	$21,521	$21,911	$22,624	$21,166	$20,851	$21,531	$24,293	$26,609
Reimbursable Resources	$0	$258	$1,419	$1,419	$176	$0	$0	$245
Budget Activity Total	**$21,521**	**$22,169**	**$24,043**	**$22,585**	**$21,027**	**$21,531**	**$24,293**	**$26,854**

Measure	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Percentage Collected Electronically of Total Dollar Amount of Federal Government Receipts	84.0	85.0	96.0	97.0	97.0	98.0	98.0	98.0

Key: DISC - Discontinued and B - Baseline

3B – Debt Collection

($0 from direct appropriations, and $128,733,000 from reimbursable resources):
The Debt Collection Program supports Treasury's strategic objective "to improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. government." Fiscal Service collects delinquent government, state, and child support debt by providing centralized debt collection, oversight, and operational services to federal program agencies and states pursuant to the Debt Collection Improvement Act of 1996 and related legislation. The Fiscal Service uses two debt collection programs: Treasury Offset Program (TOP) and Cross-Servicing.

In FY 2014, the Fiscal Service began efforts to acquire a new Cross-Servicing system, which will enable optimized, cost-effective collection and resolution approaches. Fiscal Service has also completed the implementation of the new offset system, TOP Next Generation on November 8, 2014. The TOP Next Generation system will provide the ability to handle increasingly larger volumes of debt and payment types; process new payment types; increase payment processing throughput to meet future needs; and meet essential stakeholder needs. In addition, Fiscal Service continued to expand the offset program by including additional debts owed to states as well as payments made by states. In an effort to increase efficiency, the Debt Collection Program conducted random controlled trials to determine cost effective improvements to correspondence, optimized the call center, expanded the use of highly productive debt collection approaches, such as wage garnishment, and continued to transition to a data-driven, analytical approach. Finally, the Fiscal Service began preparations to support the DATA Act requirement that agencies refer debts for administrative offset when they are 120 days delinquent, rather than 180 days delinquent.

Description of Performance:
In FY 2014, the Fiscal Service collected 96 percent of its collection performance target due to events related to the partial government shutdown and one-time changes to some agencies' referrals. At the end of FY 2014, the Fiscal Service collected $6.9 billion in delinquent debt.

The Fiscal Service's goal for FY 2015 and FY 2016 is to collect $7.1 billion and $7.36 billion, respectively, in delinquent debt through the use of expanding the administrative wage garnishment collection tool, enhanced use of analytics, and legislative changes such as the proposal to allow the Treasury to offset federal income tax refunds to collect delinquent state tax obligations regardless of where the debtor resides.

3.1.2 – Debt Collection Budget and Performance Plan

Dollars in Thousands

Debt Collection Budget Activity Resource Level	FY 2009 Actuals	FY 2010 Actuals	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Enacted	FY 2016 Request
Reimbursable Resources	$86,247	$110,567	$130,474	$133,257	$153,667	$139,377	$122,597	$128,733
Budget Activity Total	**$86,247**	**$110,567**	**$130,474**	**$133,257**	**$153,667**	**$139,377**	**$122,597**	**$128,733**

Measure	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Amount of Delinquent Debt Collected Through All Available Tools ($ billions)	5.03	5.45	6.17	6.17	7.02	6.91	7.5	7.36

Key: DISC - Discontinued and B - Baseline

3C – Do Not Pay Business Center

($5,116,000 from direct appropriations and $871,000 from reimbursable resources):
The Fiscal Service's Do Not Pay Business Center supports three of Treasury's strategic objectives: 1) "to improve the efficiency and transparency of federal financial management and government-wide accounting," 2) "to improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. government," and 3) "to support effective, data-driven decision-making and encourage transparency through intelligent gathering, analysis, sharing, use, and dissemination of information. Following the June 2010 Presidential Memorandum on *Enhancement of Payment Accuracy Through a "Do Not Pay List,"* the Do Not Pay Business Center was established for use by federally-funded programs at all departments and agencies in order to achieve the goal of preventing ineligible recipients from receiving payments or awards from the federal government. DNP is a significant step toward meeting the President's directive to establish a single-entry point that departments and agencies can access to determine eligibility information prior to making an award or payment. With the enactment of the Improper Payments Elimination & Recovery Improvement Act of 2012 (IPERIA), DNP is supporting Executive Branch agencies in meeting the IPERIA requirement to verify all payments prior to issuance.

DNP provides a single centralized way 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. Additionally, the DNP working system is integrated into the Treasury payment stream, enabling just-before-payment checks of selected data sources. DNP accomplishes its mission by focusing on five main areas:

1. Data: DNP is working to incorporate and make available all the data sources identified in IPERIA and to identify additional data sources that are relevant to the prevention of improper payments.

2. Technology: DNP has developed and deployed a user-friendly web-based portal through which agencies can access key data sources and review the results of data matching and analysis. The Do Not Pay Portal enables agencies to access multiple data sources in a centralized location, including the Death Master File, the System for Award Management-Excluded Parties List System, the Debt Check Database, the System for Award Management-Central Contractor Registration, the Office of Foreign Assets Control's Specially Designated Nationals List, the List of Excluded Individuals and Entities, and other data sources. The Fiscal Service will continue to research and add federal and commercially available data sources to the Portal. This data will assist agencies in their efforts to reduce improper payments throughout the pre-award, pre-payment, and post-payment review processes. DNP has also developed the ability to automatically compare payments immediately prior to disbursal to selected data sources and return the results of those comparisons to agencies via the portal.

3. Authorities and Governance: DNP has developed standardized processes to ensure the protection of the privacy of individuals and adherence to all applicable authorities.

4. Agency outreach: DNP has developed a highly capable team that works with agencies to ensure they have access to the optimal data and information needed to support the prevention of improper payments.

5. Analytics: DNP has built a team of quantitative and business analysts that utilize data to identify improper payments, systemic errors, and potential fraud. DNP is adding analytical tools and expanding analytical capabilities to address additional causes of improper payments.

Description of Performance:

Since the Do Not Pay Business Center was launched in FY 2012, significant progress has been made towards providing agencies a one-stop-shop to assist agencies in verifying eligibility prior to issuing a payment. Since the program's inception, priority was placed on expanding the number of data sources, as well as the customer base, for Do Not Pay services. In addition, the Do Not Pay Business Center worked to establish the program's performance goals and metrics. Also in FY 2012, the program initiated the "Growth Phase" where the focus was to increase the number of agencies and agency programs using Do Not Pay Services. In FY 2013, DNP completed its growth phase by finalizing a long-term vision, shifting its focus to maximizing impact. The program leveraged the Improper Payments Elimination and Recovery Improvement Act of 2012 to begin integration with the payment stream, development of data quality assessment criteria, and close collaboration with agencies to better understand how business rules and processes can be optimally leveraged to adjudicate matches. In FY 2014, DNP incorporated OMB Privacy Guidance requirements into the DNP System of Records Notice, published in the Federal Register; integrated DNP into the Treasury payment stream to centrally reduce improper payments across government by moving the Massively Parallel Processor from the Federal Reserve Bank of Kansas City to the Treasury Web Application Infrastructure (TWAI) and the implementation of the capability to process daily data source updates; and developed the foundational documents, processes, and governance for the Analytics Center of Excellence. In FY 2015 and beyond, having completed seamless integration into the Treasury payment stream, the Do Not Pay Business Center will continue to support agencies in efforts to prevent improper payments, meet their IPERIA requirements, and review payments and awards prior to payment. In FY 2015 and beyond, the Do Not Pay Business Center will continue to support agencies in efforts to prevent improper payments, meet their IPERIA requirements, and review payments and awards prior to payment by seamlessly integrating into the Treasury payment stream. DNP will continue to grow its analytics capabilities and will acquire effective data, technology, and expertise to provide more tools to provide more robust information for customer agencies to use in verifying payments.

3.1.3 – Do Not Pay Business Center Budget and Performance Plan

Dollars in Thousands

Do Not Pay Business Center Budget Activity								
Resource Level	FY 2009 Actuals	FY 2010 Actuals	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Enacted	FY 2016 Request
Appropriated Resources	$0	$0	$0	$10,000	$5,000	$5,000	$5,064	$5,116
Reimbursable Resources	$0	$0	$0	$105	$0	$779	$790	$871
Budget Activity Total	**$0**	**$0**	**$0**	**$10,105**	**$5,000**	**$5,779**	**$5,854**	**$5,987**

3D – Government Agency Investment Services

($13,074,000 from direct appropriations and $2,385,000 from reimbursable resources):
The Government Agency Investment Services (GAIS) Program assists in fulfilling Treasury's strategic objective "to improve the efficiency and transparency of federal financial management and government-wide accounting." This program consists of three distinct components:

- The Federal Investments component includes issuing, servicing, and redeeming Government Account Series (GAS) securities for federal agencies that have legislative authority to invest. As of September 30, 2014, over $5.2 trillion in GAS securities was outstanding, representing nearly one-third of the federal debt. Federal Investments is also responsible for coordinating with the Office of Fiscal Projections and Summary Debt Accounting to employ extraordinary measures and ensure that the outstanding public debt subject to limit does not exceed the statutory limit during periods of delay. Within this component is also the Trust Funds Management Program, which includes 22 trust funds that are managed and invested on behalf of the Secretary of the Treasury. Among these are the Unemployment, Oil Spill Liability, Social Security, Medicare, and Gulf Coast Restoration Trust Funds. Investment holdings of these funds total $3.1 trillion. The program also oversees the management of another eight Tribal funds on behalf of Treasury. During FY 2015, the Trust Funds Management Program will disburse grant payments awarded by the Treasury Department in support of the Gulf Coast Restoration Trust Fund legislation (also referred to as the RESTORE Act). The program is also responsible for administering certain Non-Entity funds held by, but not available to, Treasury for use in operations.

- The Special Purpose Securities component administers State and Local Government Series (SLGS) securities of approximately $106 billion and offers a flexible investment alternative for state and local governments to refinance their outstanding tax-exempt debt. During FY 2015 and 2016, the program will evaluate and coordinate business and system impacts of regulatory changes identified by the SLGS Treasury Working Group.

- The Federal Borrowings Program component represents Treasury's role in the federal loan program and accounts for and reports on over $1.2 trillion in loans made to other federal agencies with legislative authority to borrow. Agencies with authority to borrow include, but are not limited to, the Department of Education, the Department of the Treasury, the Department of Agriculture, and the Department of Housing and Urban Development.

Description of Performance:
The 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 conducts an annual customer survey that focuses on both program and system satisfaction. Based on survey responses, Fiscal Service plans to target areas of improvement with the intent to increase the percentage of customers rating GAIS as "Excellent." The Fiscal Service's target percentage for customers rating GAIS as "Excellent" is 58 percent in FY 2015 and 59 percent in FY 2016.

To assist in analyzing the efficiency of maintaining these components in a consolidated system environment, Fiscal Service tracks the cost per GAIS transaction. The actual FY 2014 cost is $35.99, which is below the target of $39.28. Minor application enhancements and increased system license fees increase target costs to $38.09 and $38.49 in FY 2015 and FY 2016, respectively.

3.1.4 – Government Agency Investment Services Budget and Performance Plan

Dollars in Thousands

Government Agency Investment Services Budget Activity								
Resource Level	FY 2009 Actuals	FY 2010 Actuals	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Enacted	FY 2016 Request
Appropriated Resources	$17,723	$18,013	$16,045	$15,149	$14,728	$13,704	$13,055	$13,074
Reimbursable Resources	$1,698	$2,130	$2,130	$2,035	$2,076	$3,125	$2,164	$2,385
Budget Activity Total	**$19,421**	**$20,143**	**$18,175**	**$17,184**	**$16,804**	**$16,829**	**$15,219**	**$15,459**

Measure	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Cost Per Government Agency Investment Services Transaction ($)	41.71	82.08	84.67	33.48	35.2	35.99	38.09	38.49
Percent of Respondents Selecting the Highest Rating of Customer Satisfaction with Government Agency Investment Services	N/A	55.0	60.0	60.0	61.0	57.0	58.0	59.0

Key: DISC - Discontinued and B - Baseline

3E – Government-wide Accounting and Reporting

($68,553,000 from direct appropriations and $1,509,000 from reimbursable resources):
The Government-wide Accounting (GWA) Program supports Treasury's strategic objective "to improve the efficiency and transparency of federal financial management and government-wide accounting" by producing timely and accurate financial information that contributes to the improved quality of financial decision making by operating and overseeing the Government's central accounting and reporting system. The GWA Program also works with FPAs to adopt uniform accounting and reporting standards and systems. It provides support, guidance, and training to assist FPAs in improving their government-wide accounting and reporting responsibilities. Fiscal Service collects, analyzes, and publishes government-wide financial information, which is used by the federal government to establish fiscal and debt management policies and by the public and private sectors to monitor the Government's financial status. Publications include the Daily Treasury Statement, the Monthly Treasury Statement, the Treasury Bulletin, the Combined Statement of the United States Government, and the Financial Report of the United States Government (FR).

The GWA cash reporting function supports the National Financial Critical Infrastructure. In this capacity, Fiscal Service continues to obtain an unmodified opinion on the Audit of Non-entity Schedules of Government-wide Cash.

Fiscal Service is taking significant steps to address the material weaknesses found in the compilation process of the FR including:

- Requiring comprehensive accounting data from agencies on a monthly basis that will allow the Fiscal Service to better analyze the data for consistency and completeness.

- Proactively enforcing the dispute resolution process to officially resolve and document differences when agencies do not agree on the proper accounting.
- Providing agencies with authoritative data to reconcile inter-agency transfers and other transactions that agencies report to the central accounting system.
- Designing quarterly intergovernmental scorecards for agencies to highlight differences and monitoring their progress on addressing the differences.
- Using the Chief Financial Officers Council, Central Reporting Team as a forum to discuss accounting and reporting issues that affect the FR.
- Collaborating across the audit community to begin discussion around implementing improved Intra-governmental Transactions audit procedures.
- Standing up the General Fund as a reporting Entity.
- Reconciling the agency data to central accounting data, which the Fiscal Service uses to prepare the Reconciliations of Net Cost and Unified Budget Deficit Statement and the Statement of Changes in Cash Balance from Unified Budget and Other Activities.
- Strengthening internal controls over the process for preparing the FR.

The goal of these actions is to assist in removing material weaknesses as barriers to an unmodified audit opinion for the FR.

Description of Performance:
In FY 2014, Fiscal Service achieved its target of 100 percent for the measure *Percentage of Government-wide Accounting Reports,* which include the *Daily Treasury Statement, Monthly Treasury Statement, and consolidated Financial Report,* issued on *time*. Fiscal Service continues to achieve its targets by maintaining the established process of validating and reconciling data with reporting sources such as the Regional Finance Centers, FPAs, and various electronic deposit and payment applications. The 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 2015 and FY 2016.

3.1.5 – Government-wide Accounting and Reporting Budget and Performance Plan

Dollars in Thousands

Government-wide Accounting and Reporting Budget Activity								
Resource Level	**FY 2009 Actuals**	**FY 2010 Actuals**	**FY 2011 Actuals**	**FY 2012 Actuals**	**FY 2013 Actuals**	**FY 2014 Actuals**	**FY 2015 Enacted**	**FY 2016 Request**
Appropriated Resources	$70,547	$71,826	$68,804	$64,374	$63,457	$65,486	$65,486	$68,553
Reimbursable Resources	$3,179	$1,985	$4,215	$4,215	$3,288	$630	$879	$1,509
Budget Activity Total	**$73,726**	**$73,811**	**$73,019**	**$68,589**	**$66,745**	**$66,116**	**$66,365**	**$70,062**

Measure	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Percentage of Government-Wide Accounting Reports Issued Timely	100.0	100.0	100.0	99.86	100.0	100.0	100.0	100.0

Key: DISC - Discontinued and B - Baseline

3F – Payments
($133,179,000 from direct appropriations and $71,916,000 from reimbursable resources):
The Payment Management line of business supports Treasury's strategic objective "to improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. government." The Fiscal Service is responsible for managing and operating federal payment systems and disbursing approximately 85 percent of all federal payments. Major payments include: Social Security Benefits, Supplemental Security Income, Federal Pension Benefits, Veterans' Compensation and Pension, Railroad Retirement Pensions, and tax refunds.

The Payment Management line of business is also responsible for controlling and providing financial integrity to the payment process through reconciliation, accounting, and claims activities. The claims activity settles 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 also collects monies from those parties liable for fraudulent or otherwise improper negotiation of government checks.

Payment Management also actively supports the All Electronic Treasury priority by encouraging recipients to convert to electronic payment methods. Electronic payments provide timely, accurate, and efficient disbursement of federal government payments; eliminate the costs associated with postage and the re-issuance of lost or stolen checks; and help protect against fraud and identity theft. Fiscal Service's nationwide public education campaign, called Go Direct®, was extremely successful in encouraging paper check recipients to switch to direct deposit. Through the Go Direct® public education campaign, more than 22 million paper-based payments were migrated to electronic payments and nearly 98 percent of all federal benefit payments are currently made by direct deposit. For beneficiaries who prefer a prepaid debit card or those who do not have a bank account, the Fiscal Service offers the Direct Express® card, which enables benefit payments to be automatically deposited into the recipient's card account on the payment date. The card is currently available to Social Security, Supplemental Security Income, Veterans' Compensation and Pension, Railroad Retirement Board, Office of Personnel Management, and Department of Labor benefit recipients. As of October 2014, more than 7 million beneficiaries signed up for the Direct Express® card. The combined impact of both programs will save millions of dollars to the taxpayer in years to come.

In support of its payment function, the Fiscal Service has also undertaken considerable efforts to modernize its payment systems, incorporating new technologies and the internet. Some programs that will continue to be in focus are:

- *Stored Value Card (SVC):* The Stored Value Card (SVC) is aimed at reducing the float loss associated with the more than $2 billion in coins, currency, and checks in circulation at military bases in the U.S. and overseas, on ships at sea, and at other "closed" government locations around the world. SVCs reduce the high costs of securing, transporting, and accounting for cash. The program also provides a safe and convenient payment method for our service members. Currently, SVCs replace cash and checks at over 60 military bases and installations in 14 countries (including the U.S.) and on 140 Naval ships. Meeting this global demand necessitates the deployment of over 8,700 pieces of equipment including kiosks (cashless ATMs), point-of-sale terminals, laptops, and other related peripherals. From 1997 through September 2014, over 52.9 million EFT transactions with a dollar value in excess of $7.3 billion were processed via the SVC programs. In FY 2014 alone, the SVC programs processed over 4.8 million EFT transactions with a dollar value of over $583 million.

- *Invoice Processing Platform (IPP):* IPP is a government-wide, secure, web-based electronic invoice exchange network connecting federal agencies and their vendors. IPP enables federal agencies to receive invoices electronically from their vendors, transforming existing paper-based invoice processes into a streamlined electronic process that integrates with existing agency core financial systems. IPP's single point of entry allows vendors to invoice multiple IPP enrolled agencies either via online or batch invoice submission. Vendors can view and receive notification of payments (including debt offsets) associated to their invoices via IPP. In addition, IPP supports the FIT initiative to develop a standard for electronic invoicing government-wide.

- *Payment Application Modernization (PAM):* The PAM investment supports a critical Fiscal Service function, which is the production and delivery of federal payments. PAM is an effort to replace 30+ existing Fiscal Service payment applications generating check, Automated Clearing House (ACH), International ACH Transaction (IAT), and wire transfer payments used to disburse over 1 billion federal payments on behalf of FPAs, with a single application. PAM addresses the following gaps: multiple systems written in outdated languages, inability to meet legislative and FPA changes/requests quickly, and extensive manual processes.

- *Post Payment Systems (PPS) Consolidation:* In support of Treasury's Strategic Goal to "fairly and effectively reform and modernize federal financial management, accounting, and tax systems," the Fiscal Service has invested in the consolidation of several post payment systems into a single, centralized system. The new PPS investment will reduce duplication of functionality, eliminate redundancy of data across systems, and provide a single source for aftermath payment processing for federal program agencies. By consolidating all payment aftermath processing into one comprehensive application, Fiscal Service will be able to decommission these five legacy systems: Treasury Check Information System (TCIS); Payments, Claims and Enhanced Reconciliation (PACER); Treasury Receivable, Accounting and Collection System (TRACS); Teletrace; and TOP Control System (TCS).

  PPS will include functionality to process Claims/Adjudications, Cancellations, Check Reconciliation, Settlements, Offsets, and Accounting, with Customer Service & Self-Service Applications. In addition, it will utilize standardized Common Government-wide Accounting Classification (CGAC) reporting structure and leverage COTS software solutions, when appropriate, to provide common, best practice functionality and proven implementation methodologies. PPS will provide the Fiscal Service and post-payment stakeholders with enhanced, streamlined business processes and productivity gains that will simplify reconciliation activities, improve information exchange, reduce paper-based processes, integrate disparate processes, improve fraud detection, and enable self-service functions for agency and financial institution users.

- *Payment Information Repository (PIR):* The PIR is a payment repository that will support the centralization of government payment data and ultimately serve as a back-end to the Financial Information Repository (FIR) and the public Transparency.Treasury.Gov website. The FIR will allow the Fiscal Service to centrally manage financial data collected in other Information

Repositories, including but not limited to: Payment Information Repository, Collections Information Repository, and Debt Information Repository. The PIR will provide reports on payment activity as well as the capability to support queries of payment data. The payment information provided through the FIR and the Transparency.Treasury.Gov webpage will be available to federal program agencies and the public.

Description of Performance:
The measure *Percentage of Treasury Payments and Associated Information Made Electronically* supports the All Electronic Treasury priority. Due to the continued success of the Go Direct® and Direct Express® programs and implementation of the All Electronic Treasury priority, Fiscal Service has issued nearly 98 percent of its benefit payments and 94.4 percent of its total payments via EFT. Fiscal Service expects to achieve its targets in FY 2015 and FY 2016 by expanding electronic conversion efforts to additional benefit agencies and payment types, such as other vendor miscellaneous payments and federal tax refunds.

3.1.6 – Payments Budget and Performance Plan

Dollars in Thousands

Payments Budget Activity								
Resource Level	FY 2009 Actuals	FY 2010 Actuals	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Enacted	FY 2016 Request
Appropriated Resources	$147,717	$150,395	$141,358	$132,265	$125,570	$126,636	$121,715	$133,179
Reimbursable Resources	$138,584	$129,262	$142,340	$131,060	$102,401	$77,846	$70,249	$71,916
Budget Activity Total	**$286,301**	**$279,657**	**$283,698**	**$263,325**	**$227,971**	**$204,482**	**$191,964**	**$205,095**

Measure	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Percentage of Treasury Payments and Associated Information Made Electronically	81.0	82.0	84.3	88.0	92.5	94.4	95.0	96.0

Key: DISC - Discontinued and B - Baseline

3G – Retail Securities Services

($94,145,000 from direct appropriations and $17,540,000 from reimbursable resources):
The Fiscal Service's Retail Securities Services (RSS) Program offers simple, safe, and affordable securities that enable Americans to save for their future. Products are targeted toward small investors looking to securely build savings. The program serves more than 50 million investors by processing millions of transactions annually.

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. This most recently resulted in the creation of *my*RA, a new retirement savings account that soft launched in December 2014. The *my*RA Program follows Roth Individual Retirement Account rules. Therefore, the program is generally designed to be available to anyone who earns an annual income of less than $129,000 a year and $191,000 for married couples filing a joint tax return. The program has no maintenance fees and allows investors to save a maximum of $5,500 per year.

Committed to supporting Treasury's paperless initiative, the RSS Program encourages people to buy securities, access their accounts, and conduct transactions electronically. RSS plans to implement a new securities management system that will enhance capabilities for customers to purchase, reinvest, redeem, transfer, and hold securities electronically. Investors will be able to learn about retail products and services, make informed decisions about buying Treasury securities, and manage their Treasury investments more efficiently. Also in support of the paperless initiative, paper securities issued via payroll and over-the-counter channels have been eliminated. A small number of paper channels remain, and the target to eliminate these channels is FY 2017.

Over the next two years, the program plans to implement the last three phases of its Treasury Retail E-Services (TRES) initiative. TRES is expected to automate workflows and reduce paper processes by deploying a virtual case file environment and implementing a virtual contact center using shared telephony. In addition, a secure portal with additional communication channels and self-service functionality will be made available to investors.

By FY 2016, the program expects to have made significant progress in decommissioning several legacy systems.

Description of Performance:
The internet-based TreasuryDirect system allows investors to set up accounts, purchase electronic securities, and manage their holdings without customer assistance. The *Cost per TreasuryDirect Online Transaction* in FY 2014 was $1.84, below the targeted cost of $1.99. The cost per transaction is forecasted to be $1.89 in FY 2015 and $1.87 in FY 2016.

The *Cost per TreasuryDirect Assisted Transaction* demonstrates Fiscal Service's efficiency in responding to customer inquiries. Although the TreasuryDirect system promotes investor self-service, there are times when assistance from a customer service representative is necessary. Representatives handle phone and email inquiries, offline authentications, paper savings bond conversions, changes in bank information, and transactions requiring legal evidence. The *Cost per TreasuryDirect Assisted Transaction* in FY 2014 was $7.18, below the targeted cost of $7.99 due to staffing vacancies. The cost per transaction is forecasted to be $8.08 in FY 2015 and $7.92 in FY 2016 as staffing levels return to more normal levels.

Fiscal Service plans to meet performance targets by maintaining a skilled customer service workforce and streamlining operations to effectively manage costs.

3.1.7 – Retail Securities Services Budget and Performance Plan

Dollars in Thousands

Retail Securities Services Budget Activity Resource Level	FY 2009 Actuals	FY 2010 Actuals	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Enacted	FY 2016 Request
Appropriated Resources	$139,109	$139,109	$135,337	$116,260	$110,876	$95,249	$95,237	$94,145
Reimbursable Resources	$16,293	$15,393	$15,393	$17,166	$16,841	$17,400	$15,917	$17,540
Budget Activity Total	**$155,402**	**$154,502**	**$150,730**	**$133,426**	**$127,717**	**$112,649**	**$111,154**	**$111,685**

Measure	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Cost Per TreasuryDirect Assisted Transaction ($)	8.72	8.23	3.0	4.58	7.3	7.18	8.08	7.92
Cost Per TreasuryDirect Online Transaction ($)	5.21	6.12	3.64	2.26	1.72	1.84	1.89	1.87
Increase the Number of Customers Who Buy Treasury Retail Securities Electronically	N/A	N/A	144,997	301,737	269,180	222,790	185,000	180,000
Percentage of Retail Customer Service Transactions Completed within 5 Business Days	86.0	92.7	73.1	75.7	74.5	89.7	88.0	88.0

Key: DISC - Discontinued and B - Baseline

3H – Summary Debt Accounting

($4,243,000 from direct appropriations and $824,000 from reimbursable resources):
The Summary Debt Accounting (SDA) Program assists in fulfilling Treasury's strategic objective "improve the efficiency and transparency of federal financial management and government-wide accounting." SDA is vital to meeting Fiscal Service's responsibility to account for nearly $18 trillion of public debt and over $431 billion in related interest expenses incurred to finance the operations of the federal government.

SDA 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, which received an unmodified opinion for the past 18 years.

<u>Description of Performance:</u>
All financial activity related to the public debt of the United States is reported by the SDA Program. This is accomplished by collecting and reporting securities-related issue, redemption, and interest payment information on a daily basis.

To improve operational effectiveness, Fiscal Service completed several efforts to modernize the SDA business and system environment. These efforts allowed SDA to more quickly respond to changes in reporting requirements, responsibilities, and financial information needs. A major component in the modernization effort was accomplished on November 18, 2013, with the implementation of the Summary Debt Accounting System, which replaced the Public Debt Accounting and Reporting System. This change strengthened the governance over the debt accounting environment and ensured the collection, verification, and dissemination of all debt accounting information is accurate, appropriate, flexible, and standardized. SDA will continue to analyze the business and system environment and perform enhancements based upon stakeholder feedback.

To transform SDA, the program created a long-term goal of restructuring or eliminating a percentage of business processes. Throughout the lifetime of the goal, SDA restructured or eliminated 44 percent of its processes. SDA will continue to evaluate its business processes to determine if any further restructuring or elimination is appropriate.
SDA relies on cost per transaction to help manage the efficiency of the program. The actual FY 2014 cost is $16.36, which is below the target of $17.68. Minor application enhancements and increased system license fees increase target costs to $17.53 and $17.72 in FY 2015 and FY 2016, respectively.

3.1.8 – Summary Debt Accounting Budget and Performance Plan

Dollars in Thousands

Summary Debt Accounting Budget Activity								
Resource Level	FY 2009 Actuals	FY 2010 Actuals	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Enacted	FY 2016 Request
Appropriated Resources	$7,082	$10,266	$9,195	$8,836	$8,443	$16,115	$4,325	$4,243
Reimbursable Resources	$827	$852	$852	$1,166	$1,153	$2,944	$748	$824
Budget Activity Total	**$7,909**	**$11,118**	**$10,047**	**$10,002**	**$9,596**	**$19,059**	**$5,073**	**$5,067**

Measure	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Cost Per Summary Debt Accounting Transaction ($)	8.66	11.28	14.8	22.47	19.86	16.36	17.53	17.72
Percent of Summary Debt Accounting Business Processes Restructured or Eliminated	N/A	6.0	9.5	6.0	21.4	21.4	15.0	20.0

Key: DISC - Discontinued and B - Baseline

3I – Wholesale Securities Services

($18,931,000 from direct appropriations and $3,878,000 from reimbursable resources):
The Wholesale Securities Services (WSS) Program supports Treasury's strategic objective "to promote savings and increased access to credit and affordable housing options." WSS is responsible for the announcement, auction, issuance, and settlement of marketable Treasury bills, notes, bonds, and Treasury Inflation-Protected Securities. The program also oversees that portion of the federal infrastructure that provides for the transfer, custody, and redemption of all Treasury marketable securities, which are purchased mostly by commercial market participants.

The auction program supports the National Financial Critical Infrastructure and is a mission essential function for Treasury that enables the federal government to finance operations. WSS ensures that communications, systems, processes, and contingency plans provide for high-level performance and business continuity for wholesale auction operations. The auction system, Treasury Automated Auction Process System, resides in an aging technical infrastructure, thus, it is being migrated to a modernized technical infrastructure to ensure continued operational efficiency.

Another major component of this program is the commercial book-entry system, which holds approximately $12 trillion, or 99 percent, of Treasury marketable securities. Treasury uses this system to issue most of its marketable debt, make principal and interest payments, and support the active secondary market in Treasury securities. It is estimated that about $1 trillion per day in Treasury securities are transferred among account holders in the commercial book-entry system.

Description of Performance:

Fiscal Service strives to efficiently deliver its debt financing operations, including auctions and buybacks, at the lowest possible cost. The *Cost per Debt Financing Operation* in FY 2014 was $137,888, below the targeted cost of $157,013. The cost per debt financing operation is estimated at $165,339 in FY 2015 and $165,716 in FY 2016; the increase is primarily due to the anticipated migration of the Treasury Automated Auction Processing System to a new technical infrastructure.

The accurate and timely release of auction results, with an emphasis on accuracy, is critical to the success of the WSS 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 modified its performance measure from *Percent of Auction Results Released in Two Minutes +/- 30 Seconds* to *Percent of Auction Results Released Accurately*, with a target of 100 percent in FY 2016. Fiscal Service anticipates meeting its target through ongoing business process reviews and regularly scheduled contingency planning and mock auction exercises.

3.1.9 – Wholesale Securities Services Budget and Performance Plan

Dollars in Thousands

Wholesale Securities Services Budget Activity								
Resource Level	**FY 2009 Actuals**	**FY 2010 Actuals**	**FY 2011 Actuals**	**FY 2012 Actuals**	**FY 2013 Actuals**	**FY 2014 Actuals**	**FY 2015 Enacted**	**FY 2016 Request**
Appropriated Resources	$23,438	$24,438	$24,058	$23,120	$22,092	$12,840	$19,009	$18,931
Reimbursable Resources	$2,378	$2,821	$2,821	$3,051	$3,000	$2,346	$3,519	$3,878
Budget Activity Total	**$25,816**	**$27,259**	**$26,879**	**$26,171**	**$25,092**	**$15,186**	**$22,528**	**$22,809**

Measure	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2016 Target
Cost Per Debt Financing Operation ($)	170,214.0	162,378.0	157,284.0	159,449.0	141,115.0	137,888.0	165,339.0	169,441.0
Percent of Auction Results Released in Two Minutes +/- 30 Seconds	100.0	100.0	100.0	100.0	99.6	99.3	100.0	100.0

Key: DISC - Discontinued and B - Baseline

Section 4 – Supplemental Information

4A – Summary of Capital Investments

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

Effective Investment Governance

Enterprise architecture reviews ensure alignment of IT investments to bureau strategic plans, the strategic enterprise direction of Treasury. The reviews also identify potential duplication of systems. The Fiscal Service's Capital Planning and Investment Control Program addresses the prioritization of new and existing IT investments, risk management, long-range planning, business objectives, alternative analysis, and governance. By tracking and reporting the progress of each investment and the performance measures achieved, the Fiscal Service ensures its IT investment portfolio is well managed, cost effective, and supports strategic goals.

Effective Project Execution

Through a disciplined and consistent approach to project management, IT investments are closely monitored for cost, schedule, and performance to ensure expected results and benefits are achieved. Each IT investment has a dedicated program manager and a fully staffed integrated program team. The systems that support each investment are enhanced using Rapid Application Development techniques that give the program manager the flexibility to quickly incorporate new functionality and improve efficiency across the bureau.

Enterprise Architecture Services

Enterprise Architecture Services include business architecture and technical architecture services. Business architecture focuses on the strategic capabilities, knowledge, processes, and relationships that support the achievement of organizational goals and alignment of strategic objectives to meet enterprise business needs. Technical architecture establishes standards and patterns for information technology solutions. Technical architecture reviews requirements that influence or change the technology supporting the Fiscal Service critical business functions and maintains architecture documentation and a Technology Roadmap.

A summary of capital investment resources, including major information technology and non-technology investments, can be viewed/downloaded at: http://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx. This website also contains a digital copy of this document.