

Department of the Treasury
Bureau of the Fiscal Service

Congressional Budget
Justification and Annual
Performance Report and Plan

FY 2019

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Section I – Budget Request

A – Mission Statement

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

B – Summary of the Request

Fiscal Service’s multi-faceted mission supports the Federal Government’s National Financial Critical Infrastructure. Fiscal Service continues to work with the Federal financial community to identify improvements to core programs and streamline operations Government-wide. The bureau’s vision to “*Transform financial management and the delivery of shared services in the Federal Government*” and commitment to deliver strong leadership and exceptional operations align with Treasury’s Strategic Goal 4 (Transform Government-wide Financial Stewardship) and Goal 5 (Achieve Operational Excellence) as follows:

- Provides Government-wide accounting and reporting services to include managing the Federal Government’s daily cash flows, accounting for the public debt, and publishing the Daily and Monthly Treasury statements as well as the Financial Report of the U.S. Government
- Operates the Federal Government’s collections and deposit systems by managing the Electronic Federal Tax Payment System (EFTPS) and implementing new and cutting edge tools to allow taxpayers, national park visitors, and others to pay taxes, entrance fees, and fines owed to the Federal Government electronically
- Provides centralized payment services to Federal agencies by annually disbursing 87 percent of the Government’s payments to include Veterans’ benefits, Social Security benefits, and Internal Revenue Service tax refunds, educating unbanked and underbanked Federal benefit recipients on the many electronic payment options available, and working with law enforcement to identify fraudulent activity and recover associated funds
- Offers investors the ability to buy and manage Treasury securities online via the TreasuryDirect system through which Treasury savings bonds, among other securities, may be purchased, tracked, and redeemed electronically
- Borrows the money needed to operate the Federal Government by performing auctions through which investors have the opportunity to purchase Treasury securities
- Manages the collection of delinquent debt owed to the Federal Government by operating two programs, the Treasury Offset Program (TOP) and Cross-Servicing Program, to which Federal agencies are legally required to submit most debts delinquent for 120 days for collection action

Fiscal Service, through efficient and effective management of these critical programs, demonstrates high performance and achieves outcomes and results that include:

- Financing Federal operations by collecting over \$4 trillion in revenues
- Securely and timely disbursing 1.2 billion Federal payments, totaling more than \$3.4 trillion, with 95.1 percent delivered electronically
- Making available \$8.6 trillion to fund critical daily Federal Government operations
- Developing the new USAspending.gov site using a single, Government-wide data schema resulting in the first Digital Accountability and Transparency Act (DATA Act) submission,

with data from all 24 Chief Financial Officer Act agencies, timely published on the new spending transparency website

In FY 2019, the Fiscal Service plans to accomplish many things with this budget request. Some of these goals include:

- Activities that support the President's Management Council Mission Support Services Initiatives such as:
 - Maximizing electronic payments
 - Centralizing Federal disbursing
 - Supporting reductions Government-wide improper payments
 - Expanding electronic invoicing through the Invoice Processing Platform (IPP)
 - Expanding and digitizing receivables using the Centralized Receivables Service (CRS)
- Reducing collections lockboxes and increase digitization
- Continuing to provide operational excellence to customers daily, which includes more than 200 agencies and all American taxpayers
- Implementing Financial Management Innovation Pilots to support the Fiscal Service vision to transform financial management
- Expanding eCommerce collections solutions to allow all American citizens to do business with the Federal Government in a more efficient and effective manner

1.1 – Appropriations Detail Table

Dollars in Thousands

Fiscal Service Appropriated Resources	FY 2017		FY 2018		FY 2019		FY 2018 to FY 2019			
	Enacted*		Annualized CR		Request		Change		% Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Accounting and Reporting	439	\$108,312	441	\$107,576	437	\$92,296	(4)	(\$15,280)	-0.91%	-14.20%
Collections	159	\$36,197	159	\$35,951	158	\$35,232	(1)	(\$719)	-0.63%	-2.00%
Payments	557	\$126,685	561	\$125,825	556	\$120,743	(5)	(\$5,082)	-0.89%	-4.04%
Retail Securities Services	441	\$62,559	454	\$62,134	439	\$62,297	(15)	\$163	-3.30%	0.26%
Wholesale Securities Services	78	\$19,304	78	\$19,173	78	\$20,269	-	\$1,096	0.00%	5.72%
Subtotal New Appropriated Resources	1,674	\$353,057	1,693	\$350,659	1,668	\$330,837	(25)	(\$19,822)	-1.48%	-5.65%
Other Resources										
Reimbursables	420	\$336,076	427	\$377,980	431	\$421,267	4	\$43,287	0.94%	11.45%
Subtotal Other Resources	420	\$336,076	427	\$377,980	431	\$421,267	4	\$43,287	0.94%	11.45%
Total Budgetary Resources	2,094	\$689,133	2,120	\$728,639	2,099	\$752,104	(21)	\$23,465	-0.99%	3.22%

* This column reflects levels appropriated in H.R. 255, the Consolidated Appropriations Act of 2017, for further details on the execution of these resources see the 2019 Budget Appendix chapter for the Department of the Treasury. FY 2017 FTE and Reimbursables are actuals.

1.2 – Budget Adjustments Table

Dollars in Thousands

Fiscal Service	FTE	Amount
FY 2018 Annualized CR	1,693	\$350,659
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$3,286
Pay Annualization	0	\$1,038
Non-Pay	0	\$2,248
Adjustments to Base:	(13)	(\$19,822)
Prior Program Decreases	(13)	(\$19,822)
Subtotal Changes to Base	(13)	(\$16,536)
Total FY 2019 Base	1,680	\$334,123
Program Changes:		
Program Decreases	(12)	(\$3,286)
myRA	(12)	(\$600)
Mission Support	0	(\$2,686)
Total FY 2019 President's Budget	1,668	\$330,837

Note: Prior program decreases include reductions to all budget activities identified in the FY 2018 President's Budget

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) +\$3,286,000 / +0 FTE

Pay Annualization +\$1,038,000 / +0 FTE

Funds are requested for annualization of the January 2018 pay raise.

Non-Pay +\$2,248,000 / +0 FTE

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

Prior Program Decreases -\$19,822,000 / -13 FTE

Prior program decreases include reductions to Accounting and Reporting, Collections, Payments, Retail Securities Services, Support Services, and Streamlining Staff/Other Efficiencies as first proposed in the FY 2018 President's Budget.

Program Decreases -\$3,286,000 / -12 FTE

myRA -\$600,000 / -12 FTE

This reduction and savings are a result of the plan to wind down the myRA program.

Mission Support -\$2,686,000 / +0 FTE

Fiscal Service will delay implementation of customer self-service portals, on-line chat portals, and other mission support contracts impacting all budget activities and customers.

1.3 – Operating Levels Table

Dollars in Thousands

Fiscal Service	FY 2017	FY 2018	FY 2019
Object Classification	Enacted*	Annualized CR	Request
11.1 - Full-time permanent	148,909	146,909	140,273
11.3 - Other than full-time permanent	339	524	524
11.5 - Other personnel compensation	4,806	4,806	5,853
11.8 - Special personal services payments	0	23,879	23,879
11.9 - Personnel Compensation (Total)	154,054	176,118	170,529
12.0 - Personnel benefits	50,242	49,242	48,241
13.0 - Benefits for former personnel	100	3,100	100
Total Personnel and Compensation Benefits	\$204,396	\$228,460	\$218,869
21.0 - Travel and transportation of persons	2,465	2,465	2,021
22.0 - Transportation of things	125	125	121
23.0 - Rent, Communications and Utilities	40,624	29,373	29,072
23.1 - Rental payments to GSA	37,111	21,373	21,192
23.2 - Rental payments to others	10	445	100
23.3 - Communications, utilities, and miscellaneous charges	3,503	7,555	7,780
24.0 - Printing and reproduction	252	250	237
25.0 - Other contractual services	94,527	79,318	71,485
25.1 - Advisory and assistance services	37,084	35,717	30,818
25.2 - Other services from non-Federal sources	14,379	14,379	14,122
25.3 - Other goods and services from Federal sources	40,436	26,436	23,806
25.4 - Operation and maintenance of facilities	1,183	1,183	995
25.7 - Operation and maintenance of equipment	1,445	1,603	1,744
26.0 - Supplies and materials	4,021	4,021	3,843
31.0 - Equipment	4,990	4,990	4,234
32.0 - Land and structures	1,657	1,657	955
Total Non-Personnel	\$148,661	\$122,199	\$111,968
New Budgetary Resources	\$353,057	\$350,659	\$330,837
FTE	1,674	1,693	1,668

* This column reflects levels appropriated in H.R. 255, the Consolidated Appropriations Act of 2017, for further details on the execution of these resources see the 2019 Budget Appendix chapter for the Department of the Treasury. FY 2017 FTE is actual.

D – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
<p style="text-align: center;">DEPARTMENT OF THE TREASURY BUREAU OF THE FISCAL SERVICE <i>Federal Funds</i></p> <p style="text-align: center;">SALARIES AND EXPENSES</p> <p><i>For necessary expenses of operations of the Bureau of the Fiscal Service, \$330,837,000; of which not to exceed \$4,210,000, to remain available until September 30, 2021, is for information systems modernization initiatives; and of which \$5,000 shall be available for official reception and representation expenses. In addition, \$165,000, to be derived from the Oil Spill Liability Trust Fund to reimburse administrative and personnel expenses for financial management of the Fund, as authorized by section 1012 of Public Law 101–380.</i></p> <p>Note.—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.</p>	

Federal Reserve Bank Permanent, Indefinite Appropriation

The Federal Reserve Banks (FRBs) act as fiscal agents of the United States when directed by the Secretary of the Treasury in accordance with 12 U.S.C. 391. Under this account, the FRBs support fiscal operations unrelated to the administration of the public debt and provide banking and financial services on behalf of the United States Treasury. Specifically, this account supports the accounting and reporting, collections, and payments programs. These, and other programs, are vital to the National Financial Critical Infrastructure, Fiscal Service’s strategic goals, and the expansion of E-Government efforts to reduce costs, improve accuracy and increase options available to citizens to conduct transactions with the Federal Government. Claims for reimbursements are closely monitored for compliance with the Instructions for Filing Reimbursement Claims for Fiscal Agent Services provided to Fiscal Service. Fiscal Service estimates that the cost of FRB services for FY 2019 will be approximately \$608.0 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. This account was further defined in FY 1992 to solely support those activities related to 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 Fiscal Service. Funding for FY 2019 is estimated at \$157.5 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 accounting and reporting, collections, payments, and debt collection. The services provided by the FAs are authorized under numerous statutes including, but not limited to, 12 U.S.C. 90 and 265.

Fiscal Service estimates that the cost of FA services for FY 2019 will be approximately \$832.5 million, which includes \$2 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 (the Act) was enacted July 8, 1937 to dispense with the necessity for insurance by the Government against loss or damage to valuables in shipment and for other purposes. The Act was amended in 1943 to cover losses resulting from the redemption of savings bonds (for example, stolen bonds that were fraudulently negotiated even though the paying agent followed identification guidelines established by the Treasury). All authority of the Treasury under the Act has been delegated to the Fiscal Service Commissioner. In FY 2019, the funding estimated to support payments for the replacement of valuables is \$1.2 million.

1.4 – Permanent, Indefinite Appropriations Table

Dollars in Thousands

Permanent, Indefinite Appropriation	FY 2017 Enacted	FY 2018 Requested	FY 2019 Request
Federal Reserve Bank ¹	\$541,126	\$585,800	\$608,000
Reimbursements to the Federal Reserve Banks	\$146,973	\$149,480	\$157,500
Financial Agent Services ^{1,2}	\$802,750	\$840,977	\$832,500
Government Losses in Shipment	\$1,123	\$1,200	\$1,200

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

² FY 2017 includes \$3M and FY 2018 and FY 2019 include \$2M per year for the Government Sponsored Enterprise - Mortgage Backed Securities administrative costs.

E – Legislative Proposals

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

This proposal would allow Federal agencies to collect delinquent non-tax debt by garnishing the bank and other financial institution accounts of delinquent commercial debtors after providing full administrative due process but without a court order. The legislation would

include appropriate limitations, such as a limitation on the amount that could be garnished at any one-time and would provide for meaningful judicial review. It would also direct the Secretary of the Treasury to issue Government-wide regulations implementing the authority of bank garnishment for non-tax debts of commercial entities.

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

This proposal would reach assets of entities whose income is not derived from wages. 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, Fiscal Service has collected \$416.2 million in garnished wages (as of September 30, 2017) on behalf of Federal agencies.

- 2. Increase and streamline recovery of unclaimed assets owed to the United States by authorizing Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the costs of recovery.** *Estimated recoveries: \$77.2 million over 10 years*

The proposal would amend 31 U.S.C. § 3711 to authorize Treasury to use its resources to recover unclaimed assets of the United States. States and other entities hold assets in the name of the United States or in the name of departments, agencies and other subdivisions of the Federal Government. Many agencies are not recovering these assets due to a lack of expertise and funding. Under current authority, Treasury collects delinquent debts owed to the United States and retains a portion of collections, which is the sole source of funding for its debt collection operations. While unclaimed Federal assets are generally not considered to be delinquent debts, Treasury's debt collection operations personnel have the skills and training to recover these assets.

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

This proposal seeks an expansion of Treasury's authority to access the National Directory of New Hires (NDNH) to prevent, identify and recover improper payments. For the purpose of eliminating waste, fraud, and abuse in Federal programs and preventing improper payments, agencies must review pre-payment and pre-award procedures and review available databases with relevant information on eligibility prior to the release of Federal funds.

The Do Not Pay initiative was formalized in the Improper Payments Elimination and Recovery Improvement Act of 2012. The Treasury Secretary is assisting agencies in gaining access to the databases identified by the President and IPERIA and other available databases through a single access point – the Do Not Pay Portal. Access to the information contained in the NDNH is restricted by statute. The Social Security Act specifies which agencies may receive information from the database and the limited purposes for which disclosures are permitted. Under the current law, the Secretary of the Treasury has access to information in the NDNH for debt collection purposes.

This proposal would expand the Secretary's access to information in the NDNH to include the purposes of preventing, identifying, and recovering improper payments for Federal agencies. Such access would permit the Secretary to assist paying agencies that are currently authorized by the Social Security Act to access NDNH, in comparing information from the NDNH with data about persons receiving Federal payments and identify individuals who are ineligible to receive payments or who are receiving erroneous payments.

4. Allow Treasury to access the Death Master File for improper payment and debt collection purposes. *Total increase in improper payments identified by Treasury: \$49.9 million over 10 years*

This proposal would further reduce improper payments and result in the more efficient resolution or collection of delinquent debt by improved sharing and use of death data by Government agencies. It would accomplish this by authorizing Treasury to access the death information, including death information obtained from states, compiled by the Social Security Administration under section 205(r)(3) of the Social Security Act (Full Death Master File) to prevent, identify and recover improper payments and collect or resolve delinquent debts.

This proposal would authorize the Treasury Secretary to access the information in the Full Death Master File for the purposes of preventing, identifying, and recovering improper payments for Federal agencies and resolving or collecting delinquent non-tax debts. Such access would permit the Secretary to assist paying agencies in comparing information from the Full Death Master File with data about persons receiving Federal payments and identify individuals who are ineligible to receive payments or who are receiving erroneous payments. It would also allow the Treasury to identify debts owed by deceased delinquent debtors and would allow them to either resolve or collect the delinquent Federal non-tax debt.

Section II – Annual Performance Plan and Report

A – Strategic Alignment

Fiscal Service fulfills its mission and vision through five annually appropriated budget activities (Accounting and Reporting, Collections, Payments, Retail Securities Services, and Wholesale Securities Services) and one mandatory budget activity (Debt Collections) funded through delinquent debt collection revenue. These budget activities align to two Treasury Strategic Goals: Transform Government-wide Financial Stewardship and Achieve Operational Excellence. More specifically, Fiscal Service supports the following Treasury Strategic Goals and Objectives:

Treasury Strategic Goal 4: Transform Government-wide Financial Stewardship

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

Accounting and Reporting:

- *Enterprise Data Strategy:* In FY 2017, Fiscal Service began a new phase of the Digital Accountability and Transparency Act of 2014 (DATA Act) program by aggregating and disseminating information about the Federal spending lifecycle connecting appropriations, awards, and outlay information for the first time. These data provide a necessary foundation for understanding how our Government allocates and uses taxpayer dollars. As a result, Fiscal Service anticipates that Treasury may experience a significant increase in the volume of inquiries it will receive about the data – its quality, completeness, accuracy – and possibly requests for additional data and functionality.
- To handle these requests, Fiscal Service will develop and execute an overall data strategy for Fiscal Service’s financial management data. The plan will promote the adoption of Federal financial data standards, promote consistent data for decision making, and build upon and leverage successes from the DATA Act implementation process. An effective strategy will promote collaboration across reporting systems, reduce duplication, improve data quality, and result in an increased focus on data analytics to make data more useful and consumable.
- *General Fund Audit:* Fiscal Service will pursue a clean audit opinion on the Financial Report of the U.S. Government (FR) through the implementation of our remediation plan. Key among these remediation efforts is attaining auditability of the General Fund of the United States Government. Achieving a clean audit opinion will increase confidence and reliance on Government-wide financial management data.
- Additionally, through collaboration with the Government Accountability Office, Office of Management and Budget (OMB), and Federal program agencies, Fiscal Service will pursue a more useful FR with a centralized, risk-based audit approach that will improve overall operational efficiency and reduce agency audit burden across Government.

- *G-Invoicing Initiative:* Fiscal Service is working to improve the quality and reliability of Intragovernmental (IGT) buy/sell data through electronic Government invoicing (or G-invoicing).
- This effort includes implementing a series of enhancements to bring the invoicing of Government-wide transactions in line with Fiscal Service data, policy, and process standards to support a Government-wide rollout. G-invoicing will help resolve the IGT buy/sell differences that contribute to the IGT material weakness in the FR.

Payments:

- *Analytics Expansion:* The Do Not Pay Business Center (DNP) can play a significant role in helping agencies address the Government-wide problem of improper payments – estimated at \$144.0 billion in FY 2016. While DNP cannot address all of the root causes that contribute to improper payments, it can significantly increase its current impact in two ways. First, by expanding analytics services, product offerings, and data sources to agency customers, DNP can help agencies detect and prevent a broader range and increased amount of improper payments. Second, the expansion allows the bureau to increase the impact it has in strengthening the integrity of Federal payments through the payment integrity program.

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

Auctions:

- *Modernize Auctions Infrastructure and Application:* Fiscal Service will modernize the auction application software. The modernization effort will ensure that critical auction processes continue to work flawlessly, remain secure, and operate without service disruptions.

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

All Budget Activities:

- *Innovative Financial Management Solutions:* Fiscal Service will identify and pilot emerging technologies and practices that demonstrate a potentially high return on investment for Federal financial management. The bureau will develop proof of concepts for distributed ledger technology (e.g., blockchain) as well as robotic process automation to understand the degree to which these technologies could be used to improve Federal financial management.

Treasury Strategic Goal 5: Achieve Operational Excellence

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

All Budget Activities:

- *Financial Management Talent:* Fiscal Service has a goal to develop, retain, and empower the best and brightest talent to support Federal financial management. Fiscal Service continues to support this goal through several initiatives that include: the Fiscal Service Culture Strategy, Moving Operations to Field Offices, Position Management Review, and Commissioner's Scholarship Program for Training.

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

All Budget Activities:

- *IT Infrastructure:* Fiscal Service will increase resiliency by enhancing IT infrastructure, technical failover capabilities, and continuity of operations processes through procedural improvements and regular exercises. This will ensure the uninterrupted financial integrity, security, and operational efficiency of mission critical systems. It also will ensure continual enhancement of the systems and operations to meet critical mission functions including auctions, revenue collections, and payments.

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

Collections and Payments:

- *Electronic Solutions:* Fiscal Service will work to reduce the number of lockboxes used in the Federal Government to process manual collections by streamlining and consolidating facilities, continuing to transition paper processing to electronic solutions, and improving manual processing efficiencies through the use of new technologies such as robotic process automation and intelligent character recognition.
- Fiscal Service will also continue to digitize processing across all operational areas through the deployment of electronic solutions that streamline processes and reduce the paper footprint.
- *Centralize Federal Disbursing:* Through this initiative, Fiscal Service will consolidate the disbursement of all Federal payments. The Federal Government disburses 1.4 billion payments annually to recipients throughout the world. Currently, Fiscal Service disburses 87 percent of these payments, with the remaining 13 percent being disbursed by non-Treasury disbursing offices. Consolidating disbursement at Fiscal Service would eliminate redundancies, streamline end-to-end payment processing, and lower Government-wide costs.
- *Common Authentication Solution and Customer-Centric Approach:* Fiscal Service will increase the capability of applications, both web and client server based, to easily honor and accept the personal identity verification (PIV), personal identity verification-

interoperable (PIV-I), and Department of Defense (DoD) Common Access Card (CAC) credentials. These services will be available to all of Treasury as well as Federal public key infrastructure customers.

Fiscal Service will work to optimize the user experience with a more customer-centric approach, reduce operational inefficiencies, and ensure security while addressing evolving standards. These services will be available to all consumer-facing Fiscal Service applications. In addition, expanding the use of user-friendly mobile processes will allow the public to interact with the Government how they prefer.

Everything Fiscal Service does aligns to the Treasury Strategic Goals and Objectives and directly supports the bureau's strategic goals:

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

B – Budget and Performance by Budget Activity

2.1.1 – Accounting and Reporting Resources and Measures

Dollars in Thousands

Resource Level	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Annualized CR	FY 2019 Request
Appropriated Resources	\$86,628	\$102,661	\$104,600	\$113,413	\$108,312	\$107,576	\$92,296
Reimbursable Resources	\$6,517	\$6,699	\$10,256	\$24,155	\$23,800	\$27,399	\$25,004
Budget Activity Total	\$93,145	\$109,360	\$114,856	\$137,568	\$132,112	\$134,975	\$117,300
FTE	464	357	374	425	381	441	437

Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2017 Target	FY 2018 Target	FY 2019 Target
Percentage of Government-wide Accounting Reports Issued Timely	100	100	99.5	100	100	100	100	100
Cost Per Government Agency Investment Services Transaction (\$)	35.2	35.99	56.38	57.16	55.27	38.49	56.38	DISC
Cost Per Summary Debt Accounting Transaction (\$)	19.86	16.36	19.26	15.67	11.86	19.26	19.26	DISC
Percentage of Summary Debt Accounting Reports Submitted Timely and Accurately	N/A	N/A	N/A	N/A	100	100	100	DISC
Collect and Disburse Interest/Principal Payment Amounts for Government Agency Investment Services Investments/Borrowings Timely and Accurately	N/A	N/A	N/A	N/A	98	98	98	DISC

Key: DISC - Discontinued

2.1.1 – Accounting and Reporting Budget and Performance

(\$92,296,000 from direct appropriations, and \$25,004,000 from reimbursable resources):

The Accounting and Reporting activity consists of two programs: Central Accounting and Data Transparency. The Central Accounting program produces timely and accurate financial information by compiling and publishing daily, monthly, and annual reports; managing Federal daily cash flows; and tracking the daily balance and composition of the public debt of the United States. All of these activities significantly contribute to the improved quality of financial decisions across the Government and support the Treasury Strategic Objective 4.1 to increase the access and use of Federal financial data to strengthen Government-wide decision making, transparency, and accountability. As part of the Central Accounting program, Fiscal Service:

- Produces timely and accurate financial information by operating and overseeing the Government's Central Accounting Reporting System and managing \$103.2 billion in daily Federal cash flows
- Generates and disseminates several reports and publications including the Daily Treasury Statement, Monthly Treasury Statement, Monthly Statement of the Public Debt, Treasury Bulletins, the Combined Statement of the United States Government, and the Financial

Report of the United States Government (FR)

- Issues the annual, audited Schedules of Federal Debt (Schedules) that report on the single largest Federal liability in Treasury's annual Agency Financial Report and received an unmodified opinion for each of the past 21 years
- Manages nearly \$80.4 billion in State and Local Government Series (SLGS) securities for over 3,000 customers and administers flexible investment alternatives for state and local governments to refinance their outstanding, tax-exempt debt
- Issues, redeems and services Government Account Series (GAS) securities totaling nearly \$5.8 trillion that are held in more than 160 accounts that have specific statutory authority to invest in these special, non-marketable Treasury securities
- Administers over 10,500 loans totaling \$1.4 trillion to nearly 100 accounts held by Federal agencies to support programs relating to education, housing, flood relief, and agriculture

The Data Transparency program is responsible for implementing the Fiscal Service's data strategy, as well as fulfilling the requirements of the DATA Act. The DATA Act required Fiscal Service, in collaboration with OMB, to develop, implement, and manage a system to provide Government-wide financial data to the public by May 2017. To meet these requirements, Fiscal Service developed a Government-wide data standard for collecting agencies' financial data, selected a broker to accept and validate the data, and implemented a public website for data accessibility. Fiscal Service continues to implement system enhancements based on user feedback using agile development techniques.

Description of Performance:

Fiscal Service collects, analyzes, and publishes Government-wide financial information, made available to both the public and private sectors, to provide transparency on the Government's financial status. In FY 2017, Fiscal Service timely issued Government-wide accounting reports 100 percent of the time.

The Percentage of Summary Debt Accounting reports submitted timely measure established an FY 2017 target of 100 percent. Fiscal Service met its target in addition to taking significant strides with the FR to address the material weaknesses previously identified and continuing to implement corrective actions outlined in the remediation plan.

Fiscal Service will meet its FY 2018 and FY 2019 performance measure targets by transforming the quality, effectiveness and transparency of Federal financial management data; delivering value-added business process and system improvements; and expanding/enhancing relationships with stakeholders and customers.

2.1.2 – Collections Resources and Measures

Dollars in Thousands

Resource Level	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$20,851	\$30,469	\$34,982	\$37,394	\$36,197	\$35,951	\$35,232
Reimbursable Resources	\$176	\$0	\$3,898	\$8,265	\$7,028	\$10,033	\$9,287
Budget Activity Total	\$21,027	\$30,469	\$38,880	\$45,659	\$43,225	\$45,984	\$44,519
FTE	120	139	144	152	159	159	158

Measure	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Percentage of Total Federal Government Receipts Settled Electronically	97	98	98	98.2	98.3	98	98	98

2.1.2 – Collections Budget and Performance

(\$35,232,000 from direct appropriations, and \$9,287,000 from reimbursable resources):

The Collections budget activity supports the National Financial Critical Infrastructure and Treasury Strategic Goal 4 (Transform Government-wide Financial Stewardship) by administering the world's largest Government funds collections systems through a network of Fiscal and Financial Agents. In FY 2017, the bureau collected over \$4.1 trillion in Federal revenues, such as individual and corporate income tax deposits, customs duties, fees for Government services, fines, and loan repayments. Within that, \$2.0 trillion in tax payments were processed through EFTPS and approximately 186.5 million transactions worth nearly \$155.0 billion were processed through Pay.gov.

Using cutting-edge technology, Fiscal Service provides Federal agencies, individuals, businesses, tax practitioners, and financial institutions with a wide variety of electronic collection alternatives. The options are designed and developed with some major goals in mind:

- to offer a service that is easy to use, convenient, and secure
- to streamline the collection process
- to make full use of web -and mobile app technologies
- to manage the depository services provided to Treasury by financial institutions

These efforts also support the following Fiscal Service strategic goals:

- Maintain agile, efficient, and resilient programs to meet the financial management needs of the Federal Government
- Deliver innovative financial management solutions that provide a modern, seamless customer experience

Description of Performance:

Fiscal Service exceeded its target of electronically settling 98 percent of all Federal Government receipts through a continued commitment to agency outreach efforts. Fiscal Service expects to maintain an annual electronic collections rate of at least 98 percent through FY 2019 by

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

- **Electronic Federal Tax Payment System (EFTPS):** EFTPS is a system that allows businesses, individuals, and other entities to pay taxes electronically. There are several methods to initiate tax payments through EFTPS, including through bulk provider, Federal agency, online channels, and phone. The benefits of EFTPS include accuracy, security, simplicity, and flexibility. The goal is to continue to require businesses to pay their Federal taxes electronically and focus efforts on increasing the number of individuals that pay taxes electronically.
- **Pay.gov:** Pay.gov is a web-based Government-wide collections portal. It allows users to electronically fill out and submit forms, view bills, and make payments via Automated Clearing House (ACH) debit, credit card, or digital wallet. The system also provides reporting to agencies and allows individuals and businesses to make non-tax payments to Federal agencies over the internet with a mobile-friendly user interface and enhanced functionality in the areas of electronic billing and electronic forms.
- **Check Conversion and Truncation:** Fiscal Service is employing strategies to reduce the number of paper checks it receives and to ensure that those it does receive are converted for electronic processing. The Over the Counter Channel Application (OTCnet) and Electronic Check Processing (ECP) are programs that provide a complete electronic record of all check images and related financial data that is accessible by agencies and eliminate the costly and time-consuming need to photocopy checks, safeguard checks, or process paper.
- **eCommerce Collections:** Agencies using mobile applications avoid sending checks to lockboxes and are converting mailed-in or point-of-sale checks/cash payments to self-service ACH, card, and digital wallet payments. Digital wallets allow consumers the convenience of using their electronic wallet (card, ACH options) to pay an obligation to an agency in lieu of providing bank account and credit card information online or via phone. Online bill payment allows consumers to pay Federal Government bills through their banks' websites.

2.1.3 – Payments Resources and Measures

Dollars in Thousands

Resource Level	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Annualized CR	FY 2019 Request
Appropriated Resources	\$130,570	\$114,650	\$120,769	\$127,943	\$126,685	\$125,825	\$120,743
Reimbursable Resources	\$102,401	\$78,625	\$81,953	\$111,088	\$111,464	\$119,408	\$120,109
Budget Activity Total	\$232,971	\$193,275	\$202,722	\$239,031	\$238,149	\$245,233	\$240,852
FTE	711	577	521	562	597	561	556

Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2017 Target	FY 2018 Target	FY 2019 Target
Percentage of Treasury Payments and Associated Information Made Electronically	92.5	94.4	94.7	94.9	95.1	95.2	95.2	95.2

2.1.3 – Payments Budget and Performance

(\$120,743,000 from direct appropriations, and \$120,109,000 from reimbursable resources):

The Payments budget activity supports the National Financial Critical Infrastructure and Treasury Strategic Goal 4 (Transform Government-wide Financial Stewardship) by disbursing more than 87 percent of the Federal Government's payments, equating to 1.2 billion payments worth \$3.4 trillion in FY 2017. Fiscal Service uses the Payment Application Modernization (PAM) investment to disburse payments for Veterans' Compensation and Pension, Social Security Benefits, Federal and Railroad Pensions, IRS tax refunds, Supplemental Security Income (SSI), etc. PAM supports the production and delivery of Federal payments on behalf of more than 250 Federal entities with a single application that generates check, ACH, International ACH Transaction (IAT), and wire transfer payments. PAM prevents improper payments and collects delinquent debt owed to the Federal Government by automatically interfacing with core Treasury systems such as Do Not Pay (DNP) and the Treasury Offset Program (TOP). Fiscal Service will eliminate redundancies in the Federal Government through FY 2019 by centralizing the payment activities for a large portion of DoD and other non-Treasury disbursing agencies. This will allow those agencies to better align mission-critical resources and possibly identify future savings.

Electronic payments provide timely, accurate, and efficient disbursement of Federal Government payments; eliminate the costs associated with postage and the re-issuance of lost or stolen checks; and help protect against fraud and identity theft. In FY 2017, Fiscal Service disbursed 98.2 percent of benefit payments electronically, largely due to Go Direct®, an on-going nationwide public education campaign that actively encourages Federal Government payment recipients to convert to electronic payment methods, and Direct Express®, a prepaid card program providing more than 5.1 million unbanked cardholders with a low-cost way to electronically receive payments and check their account balance.

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

In addition, the Fiscal Service collects monies from those parties liable for fraudulent or otherwise improper negotiation of Government checks. Support provided to the Inspector General, Assistant United States Attorneys, and state and local law enforcement agencies in the

investigation and prosecution of criminals engaged in fraud related to the Treasury payment system resulted in 26 arrests, 28 convictions, and \$20.6 million recovered through fines, restitution, and seizures in FY 2017.

Finally, the Payments budget activity includes the Invoice Processing Platform (IPP) and the Do Not Pay (DNP) programs. A secure, Government-wide, web-based, electronic invoice exchange network, IPP promotes the efficient use of resources by enabling Federal agencies to electronically receive vendor invoices and transforming existing paper-based invoice processes into a streamlined electronic process that integrates with existing agency core financial systems. In FY 2017, Federal agencies received and processed more than 450,000 vendor invoices valued at \$34.0 billion through Treasury's electronic invoicing solution, the Invoice Processing Platform (IPP). DNP provides a single, centralized point of access to timely, accurate, and actionable data for informed decision-making and can help identify, prevent, detect, and recover improper payments throughout the payment life cycle while protecting individuals' privacy. Through FY 2019, DNP analytics will continue to mature and provide customer agencies with additional tools to identify potential improper payments at all payment stages.

Description of Performance:

Fiscal Service continues to increase the electronic payment rate each year. In FY 2017, the electronic payment rate rose to 95.1 percent, with the number of electronic payments increasing by 17.8 million, and paper check volume decreasing by 1.4 million. Tax refund payments continue to total more than half of the Treasury-disbursed check volume. The processing of electronic invoices also realized a large increase of more than 41,000 over the FY 2016 volume.

The target of 95.2 percent for FY 2018 and FY 2019 was determined by using historical data trends to determine the rate of increase/decrease to apply to future EFT and check volumes. The percentage increase/decrease differs for each of the payment types (Veterans' benefits, Social Security benefits, SSI, tax refunds, etc.).

Fiscal Service will meet FY 2018 and FY 2019 targets by promoting and increasing EFT payments with emphasis on tax refunds, vendor payments, and benefit payments; and exploring, developing, and deploying innovative electronic payment solutions.

2.1.4 – Retail Securities Services Resources and Measures

Dollars in Thousands

Resource Level	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$110,876	\$95,249	\$76,711	\$71,252	\$62,559	\$62,134	\$62,297
Reimbursable Resources	\$16,841	\$17,400	\$6,006	\$16,026	\$12,642	\$17,515	\$17,854
Budget Activity Total	\$127,717	\$112,649	\$82,717	\$87,278	\$75,201	\$79,649	\$80,151
FTE	605	491	442	436	472	454	439

Measure	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Cost Per Electronic Retail Transaction (\$)	N/A	N/A	N/A	N/A	B	2.65	3.46	3.46
Cost Per Customer Assisted Retail Transaction (\$)	N/A	N/A	N/A	N/A	B	124.44	124.78	124.78

Key: B - Baseline

2.1.4 – Retail Securities Services Budget and Performance

(\$62,297,000 from direct appropriations, and \$17,854,000 from reimbursable resources):

Retail Securities Services (RSS) enables Americans to save for their future by investing in Treasury securities, most notably U.S. savings bonds. This program is responsible for processing millions of transactions annually on behalf of more than 50 million investors. RSS also provides Americans the opportunity to participate noncompetitively in the auction of Treasury marketable securities.

In an effort to be more responsive to retail customers, Fiscal Service implemented a core framework functionality as a foundation for offering future retail services. This will allow any new retail offering to reach the American investors faster than ever before. In addition, RSS established a Financial Institution Community Group, in collaboration with the Federal Reserve, to promote and identify process efficiencies for both financial institutions and RSS when customers redeem bonds.

Building on those efficiencies, RSS is developing the Treasury Retail Investment Manager (TRIM) which will effectively replace the current TreasuryDirect system over time. TRIM will be a user-friendly system that will allow individual investors to purchase, view, redeem, and manage their investments electronically via laptop or mobile phone. Furthermore, TRIM will ultimately allow the unbanked and the under-banked to electronically purchase investments by providing alternative payment mechanisms, unlike TreasuryDirect which requires bank accounts.

Over the next few years, RSS will continue to develop new and unique ways to reach underserved audiences, improve customer service, and, ultimately, encourage more Americans to save for their future.

Description of Performance:

Fiscal Service issued and serviced \$31.8 billion in savings and marketable securities held by 611,000 investors in TreasuryDirect. A total of 2.4 million retail payments worth \$13.6 billion were made timely and accurately.

The Cost per customer-assisted retail transaction measure demonstrates the efficiency of customer service operations for all retail securities currently offered. The RSS customer service staff handles phone and email inquiries, offline authentications, paper savings bond conversions, changes in bank information, and transactions requiring legal evidence. In FY 2017, RSS experienced an increase in the percentage of overall customer-initiated transactions requiring intervention by the customer service staff, as well as higher than anticipated personnel costs directly attributed to the ongoing remediation of a backlog of customer service cases. FY 2018 and FY 2019 targets are \$124.78 per customer assisted retail transaction.

The Cost per electronic retail transaction measure 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 electronic securities, etc. In FY 2017, in combination with the shift in volumes noted above, a decrease in anticipated information technology provider charges resulted in lower than expected costs for electronic retail transactions. The FY 2018 and FY 2019 targets are \$3.46 per electronic retail transaction.

Fiscal Service will focus on meeting its FY 2018 and FY 2019 targets by increasing customer self-sufficiency and satisfaction through streamlined processes; eliminating aging technology and decreasing operation and maintenance costs; and leveraging current and/or emerging enterprise technologies.

2.1.5 – Wholesale Securities Services Resources and Measures

Dollars in Thousands

Resource Level	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$22,092	\$12,840	\$10,676	\$13,848	\$19,304	\$19,173	\$20,269
Reimbursable Resources	\$3,000	\$2,346	\$927	\$3,115	\$4,214	\$3,404	\$5,505
Budget Activity Total	\$25,092	\$15,186	\$11,603	\$16,963	\$23,518	\$22,577	\$25,774
FTE	113	121	109	78	117	78	78

Measure	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Percentage of Auction Results Released Accurately	99.6	99.3	99.6	100	98.9	100	100	100
Percentage of Auctions Successfully Completed by the Scheduled Close	N/A	N/A	N/A	N/A	N/A	N/A	N/A	B

Key: B - Baseline

2.1.5 – Wholesale Securities Services Budget and Performance

(\$20,269,000 from direct appropriations, and \$5,505,000 from reimbursable resources):

The Wholesale Securities Services (WSS) program supports the National Financial Critical Infrastructure by managing a critical Treasury High Value Asset (HVA) that enables the Federal Government to finance daily operations through reliable, accurate, and secure electronic systems. The WSS program also supports Treasury’s Strategic Goal 4 (Transform Government-wide Financial Stewardship) and Treasury’s Strategic Objective 4.1 to better enable mission delivery by improving the reliability, security, and resiliency of Treasury’s infrastructure.

WSS is responsible for the announcement, auction, issuance, and settlement of marketable Treasury bills, notes, bonds, Treasury inflation-protected securities, and floating rate notes. The program also oversees the portion of the Federal infrastructure that provides for the transfer, custody, and redemption of all Treasury marketable securities, purchased mostly by commercial market participants.

Description of Performance:

Fiscal Service awarded \$8.6 trillion in Treasury marketable securities during FY 2017, funding critical daily Federal operations by conducting 275 auctions. WSS will continue to track the percent of auction results released accurately and expects to achieve the 100 percent accuracy level in FY 2018.

To achieve FY 2018 and FY 2019 performance, Fiscal Service will complete a multi-year initiative to modernize the system’s application software and technology components and will continue to test the tertiary backup system.

2.1.6 – Debt Collection Resources and Measures

Dollars in Thousands

Resource Level	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Annualized CR	FY 2019 Request
Reimbursable Resources	\$153,667	\$139,377	\$174,634	\$187,152	\$176,928	\$200,221	\$243,508
Budget Activity Total	\$153,667	\$139,377	\$174,634	\$187,152	\$176,928	\$200,221	\$243,508
FTE	560	363	406	390	417	427	431

Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2017 Target	FY 2018 Target	FY 2019 Target
Amount of Delinquent Debt Collected Through All Available Tools (\$ billions)	7.02	6.91	7.28	7.41	7.61	7.54	7.56	7.48

2.1.6 – Debt Collection Budget and Performance

(\$243,508,000 from reimbursable resources):

The Debt Collection program supports Treasury’s Strategic Goal 4 (Transform Government-wide Financial Stewardship). Fiscal Service is the Government's central debt collection agency, managing the Government's delinquent debt portfolio. Using a centralized process, Fiscal Service collects delinquent debts, such as mortgage, small business, or Federal student loans;

Federal salary or benefit overpayments; and fines or penalties assessed by Federal agencies, owed to the United States. In FY 2017, Fiscal Service collected \$7.6 billion in delinquent debt through its two debt collection programs: Treasury Offset Program (TOP) and Cross-Servicing.

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

In 2017, Fiscal Service implemented a new Cross-Servicing collection system, Cross-Servicing Next Generation (CSNG), which optimized the call center, expanded the use of highly productive debt collection approaches, such as wage garnishment, and transitioned to a data driven, analytical approach. Delinquent debts referred to Fiscal Service by Federal agencies are collected using a variety of means including offsetting Federal payments, sending demand letters to debtors, entering into repayment arrangements, withholding wages administratively, referring debts to the Department of Justice for action, reporting to credit bureaus, and contracting for the services of private collection agencies. CSNG Phase II continues to improve the interactive voice response (IVR) telephone user experience for better debtor interaction. Modernizing the IVR allows debtors to gain more information and have more options for self-service through their telephone interactions.

Fiscal Service continues to help agencies implement Section 5 of the DATA Act, which amended the Debt Collection Improvement Act of 1996 (DCIA) to require agencies to refer eligible debt to Fiscal Service at 120 days delinquent, rather than 180 days, and requires Treasury to report non-compliance to Congress. Fiscal Service continues to work with OMB and agencies on the new requirements and tools developed for tracking compliance, as required.

Description of Performance:

Fiscal Service exceeded its Amount of delinquent debt collected target for five consecutive years. This was the result of expanding the use of the administrative wage garnishment collection tool, improving macroeconomic conditions in the country, and enhancing analytics. However, analysis has shown offsets declining against projections in the past two years. This, combined with declining referrals from agencies, has resulted in more modest forecasts for FY 2018 and FY 2019.

The performance targets for FY 2018 and FY 2019 are to collect \$7.56 billion and \$7.48 billion in delinquent debt, respectively. A sophisticated planning model using debt data and macroeconomic variables is the basis for this target forecast. The model is designed to take into account economic fluctuations, as well as debt referral changes, in order to forecast collections one and two years out.

To meet FY 2018 and FY 2019 delinquent debt performance targets, Fiscal Service will continue to develop and implement strategies to increase automation, standardization and overall process efficiencies. In addition, new payment streams and individual payments will be added to TOP that produce offsets and increase delinquent debt collection.

C – Changes in Performance Measures

Performance Measure or Indicator	Change and Justification
<p>1. Cost Per Government Agency Investment Services Transaction (\$) (discontinue)</p> <p>Budget Activity: Accounting & Reporting</p>	<p>Fiscal Service will stop reporting this metric because the GAIS budget/business line no longer exists. GAIS combined with SDA, GWA and FIT to form the Accounting and Reporting budget/business line. As such, the specific cost per GAIS transaction no longer has value.</p>
<p>2. Cost Per Summary Debt Accounting Transaction (\$) (discontinue)</p> <p>Budget Activity: Accounting & Reporting</p>	<p>Fiscal Service will stop reporting this metric because the SDA budget/business line no longer exists. SDA combined with GAIS, GWA and FIT to form the Accounting and Reporting budget/business line. As such, the specific cost per SDA transaction no longer has value.</p>
<p>3. Percentage Summary Debt Accounting Reports Submitted Timely and Accurately (discontinue)</p> <p>Budget Activity: Accounting & Reporting</p>	<p>Fiscal Service will stop reporting this metric because the information reported here is a subset of the information reported in the Government-wide accounting reports. Specifically, the information being reported here is included in the Daily Treasury Statement (DTS) and Monthly Treasury Statement (MTS), both of which are important, public facing accounting reports that provide significant value to the public. These reports, along with the Monthly Statement of the Public Debt (MSPD), will still be measured as part of the "Percentage of Government-wide accounting reports issued timely" performance measure.</p>
<p>4. Collect and disburse interest/principal payment amounts for GAIS investments/ borrowings timely and accurately (discontinue)</p> <p>Budget Activity: Accounting & Reporting</p>	<p>Fiscal Service will stop reporting this metric because these payments are not a complete picture of payments on the debt outstanding and do not provide a holistic look of the debt environment.</p>

Performance Measure or Indicator	Change and Justification
<p data-bbox="201 310 591 468">5. Percentage of auctions successfully completed by the scheduled close [%] (new)</p> <p data-bbox="201 506 591 569">Budget Activity: Wholesale Securities Services</p>	<p data-bbox="613 310 1421 552">“Successfully completed by” measures the expectation that auctions must be completed on or before the scheduled close date. Efforts have been made to increase auction resiliency and decrease preventable factors from affecting the close of an auction. Excluded are instances where the auction close date is moved by the Department for policy reasons.</p> <p data-bbox="613 590 1421 747">“Scheduled close” is defined as the auction date on the announcement. The press releases posted on TreasuryDirect.gov provide the scheduled auction close and the actual auction close.</p>

With the publication of the Treasury Strategic Plan for FY 2018-2022, Treasury will work this year to baseline its performance against the new strategic objectives. This could result in additional changes to performance measures in the FY 2020 budget.

Section III – Additional Information

A – Summary of Capital Investments

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

Effective Investment Governance

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

Effective Project Execution

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

Enterprise Architecture Services

Enterprise Architecture (EA) services ensure that Fiscal Service applies a common language and framework to describe and analyze investments. Fiscal Service's EA program is designed to facilitate cross-agency analysis of capabilities, knowledge, processes, and relationships to apply evidence-based techniques, identify duplicative investments, discover goals and opportunities for collaboration with other agencies, and establish a line-of-sight from the highest level strategic goals to the infrastructure that enables the achievement of those goals. The value of EA services is to facilitate planning by documenting where Fiscal Service is currently and determining what the bureau should look like in the future so that it can make plans to transition from current state to future state. The planning is enabled by a holistic suite of integrated services that incorporates business, data, technical, and security architecture perspectives.

Risk Management

The nature of Fiscal Service's work requires effective risk management and high levels of performance to ensure the bureau maintains operational excellence while seeking innovative solutions to improve efficiencies and transform financial management and the delivery of shared services in the Federal Government. As such, Fiscal Service has established an Enterprise Risk Management (ERM) office to promote a common understanding and approach to risk

management and strengthen organizational capabilities to recognize, assess, and address risks that could disrupt the successful achievement of strategic objectives. Through the development and issuance of an ERM framework, policies, guidance, and tools, the bureau incorporates risk management practices in decision making processes such as strategic and tactical planning, workforce planning, capital investment planning, and budget formulation. Fiscal Service will continue to communicate the importance of effective risk management to all employees.

Cybersecurity

Fiscal Service has a multi-faceted mission that promotes financial integrity and operational efficiency across the Federal Government. As such, protecting the information and technology resources that support the bureau's mission are critically important. Financial integrity and operational efficiency are accomplished by effective, coordinated management of security risks and incidents that ensure the confidentiality, integrity, and availability of the bureau's systems are maintained. Fiscal Service employs an in depth defense strategy to protect against, detect, and respond to anomalies in the bureau's network and systems. In addition, Enterprise Cybersecurity ensures Fiscal Service information technology resources are in compliance with the National Institute of Standards and Technology security standards and satisfies annual security audit requirements. Furthermore, Fiscal Service is responsible for a number of Treasury's High Value Assets and will work with the Treasury Chief Information Office to identify appropriate cybersecurity initiatives that most effectively leverage the funds requested in the Cybersecurity Enhancement Account.

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

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

This website also contains a digital copy of this document.