Department of the Treasury
Bureau of the Fiscal Service

Congressional Budget Justification and Annual Performance Plan and Report

FY 2024

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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, disbursements, and shared services.

B – Summary of the Request
The Bureau of the Fiscal Service (Fiscal Service) plays an integral role in the National Financial Critical Infrastructure (NFCI) of the entire federal government, and the financial services we provide touch the lives of nearly every American. Fiscal Service is guided by its enduring aspiration that the Government is an efficient steward of its financial resources; that financial information provided by the Government is accurate; and that financial interactions with the Government are inclusive, modern, seamless, and secure.

The FY 2024 request for the Fiscal Service Salaries and Expenses is $399.3 million, an increase of $26.8 million above the FY 2023 enacted level. The Budget includes resources to maintain current operations for the Government's NFCI that finances Federal programs and services, collects revenue, disburses payments, and reports on the Government's financial position. Because of Fiscal Service's central role in Government-wide financial operations, the Budget also makes modest investments to support Treasury's leadership in transforming Federal financial management to become more efficient, more accurate and deliver better service to citizens. In addition to the direct request for Fiscal Service Salaries and Expenses, the Treasury budget request also includes $42.4 million as part of the Cybersecurity Enhancement Account (CEA) to support cloud adoption, zero trust implementation, security logging, and compliance with other mandates to bolster overall cybersecurity protections.

The Budget provides resources to maintain current service levels for our accounting, financing, collections, and disbursements operations and supports ongoing work to deliver modern and innovative financial management operations and services, increase the value, availability, and quality of our data, improve the customer experience throughout the journey with Fiscal Service, and recruit, retain, develop, and engage a diverse, high-performing workforce. Approximately three-fourths of the Fiscal Service appropriation funds staff and related facilities expenses including rent, utilities, and security. The request includes an additional $14.6 million to meet growing pay and non-pay inflationary costs and allows the bureau to maintain staffing at the levels needed to continue delivering accurate, timely, and reliable financial services.

The Budget supports Fiscal Service's Cybersecurity and Cloud Migration Initiative by providing an additional $5.8 million and 10 FTE for mission-specific cybersecurity investments for bureau systems supporting disbursements, collections, accounting, and financing activities. This aligns with Fiscal Service's implementation of Executive Order 14028, *Improving the Nation's Cybersecurity* and OMB Memo M-22-09, *Federal Zero Trust Strategy*, and also supports Treasury's Strategic Plan Objective 2.1: *Cyber Resiliency of Financial Systems and Institutions*. The Budget also supports ongoing operations related to cybersecurity for High Value Assets (HVAs) and other systems that support the NFCI. Fiscal Service will continue to partner with the Department, leveraging the $42.4 million provided through the CEA, to implement modern solutions that will support the security, resiliency, and agility of these critical systems and continue to maintain the financial integrity and efficiency of our operations. Additionally, the Budget provides $4 million to support Fiscal's need for secure space to enable the bureau to properly assist national security programs in meeting their missions.

The Budget also supports Fiscal Service's Evidence Building and Performance Data Initiative by requesting an additional $2.5 million and 10 FTE to enhance the bureau's capacity to analyze performance data and enable the bureau to better assess the effectiveness and efficiency of programs, policies, and services. This initiative supports Treasury Strategic Plan Objective 5.3, *Better Use of Data*, as well as Treasury's Enterprise Learning Agenda.

These priorities will advance Treasury's Strategic Plan FY 2022-2026, promote Fiscal Service's mission to transform Federal financial management, and result in improved service for the American public.

1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2022 Operating Plan		FY 2023 Operating Plan		FY 2024 Request		FY 2023 to FY 2024 % Change	
New Appropriated Resources	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**
Accounting and Reporting	397	$94,942	388	$96,956	393	$104,783	1.4%	8.1%
Collections	154	$45,808	151	$47,804	153	$52,276	1.7%	9.4%
Payments	484	$122,833	472	$133,328	479	$141,787	1.5%	6.3%
Retail Securities Services	390	$66,957	380	$68,759	384	$72,899	1.0%	6.0%
Wholesale Securities Services	130	$25,396	126	$25,638	128	$27,518	1.1%	7.3%
Subtotal New Appropriated Resources	**1,555**	**$355,936**	**1,517**	**$372,485**	**1,537**	**$399,263**	**1.3%**	**7.2%**
Other Resources								
Reimbursable	11	$206,266	9	$214,000	9	$218,322	0.0%	2.0%
Debt Collection Fund	299	$180,670	315	$204,581	315	$210,205	0.0%	2.7%
Unobligated Balances from Prior Years	0	$220,497	0	$205,976	0	$154,625	NA	-24.9%
Subtotal Other Resources	**310**	**$607,433**	**324**	**$624,557**	**324**	**$583,152**	**0.0%**	**-6.6%**
Total Budgetary Resources	**1,865**	**$963,369**	**1,841**	**$997,042**	**1,861**	**$982,415**	**1.1%**	**-1.5%**

Note: FY 2022 Other Resources and Full-time Equivalents (FTE) reflect actuals.

1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
FY 2023 Operating Plan	**1,517**	**$372,485**
Changes to Base:		
Maintaining Current Levels (MCLs):	**0**	**$14,559**
Pay Annualization (2023 4.6% average pay raise)	0	$2,642
Pay Raise (5.2% average pay raise)	0	$9,062
Non-Pay	0	$2,855
Subtotal Changes to Base	0	$14,559
FY 2024 Current Services	**1,517**	**$387,044**
Program Changes:		
Program Increases:	20	$12,219
Cyber & Cloud Initiative	10	$5,719
Secure Space	0	$4,000
Evidence & Data Initiative	10	$2,500
Subtotal Program Changes	**20**	**$12,219**
FY 2024 President's Budget Request	**1,537**	**$399,263**

Note: In addition to the amounts requested above for Fiscal Cybersecurity & Cloud Migration Initiative, a total of $42.44 million from the Cybersecurity Enhancement Account will be allocated to support Fiscal's IT modernization and compliance with Cybersecurity Executive Orders.

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) .... +$14,559,000 / +0 FTE

Pay Annualization (4.6%) +$2,642,000 / +0 FTE

Funds are requested for annualization of the January 2023 4.6 percent average pay raise.

Pay Raise (5.2% in 2024) +$9,062,000 / +0 FTE

Funds are requested for a 5.2 percent average pay raise in January 2024.

Non-Pay (2.0% in FY 2024) +$2,855,000 / +0 FTE

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

Program Increases .... +12,219,000 / +20 FTE

Cybersecurity and Cloud Migration Initiative +$5,719,000 / +10 FTE

Fiscal Service is responsible for 62 FISMA systems containing over 55 billion PII records, including eight (8) High Value Assets (HVAs) that support the Financial Services Sector of the federal government's Critical Infrastructure. Protecting the information and technology resources that support the bureau's multi-faceted mission is essential to maintaining the Nation's economy and stable Federal financial operations.

Fiscal Service's cybersecurity request will focus resources on transforming and securing the delivery of mission critical functions and services to enhance, strengthen, and ensure resiliency across the bureau's programs and the government's financial operations in alignment with federal mandates, including Executive Order 14028, and customer expectations. This request will bolster IT security staff and provide training to these employees on advanced cybersecurity tools and techniques, thereby expanding Treasury's threat monitoring. By maximizing our ability to identify, protect against, detect, respond to, and recover from threats and malicious activity, the Bureau can more effectively protect the highly interconnected technology resources that support our mission essential functions, and by extension, the NFCI.

In concert with initiatives funded by the Cybersecurity Enhancement Account (CEA), this funding will also support the implementation of cybersecurity enhancements to Fiscal Service applications and infrastructure, including agile DevSecOps capabilities and a scalable continuous integration and deployment pipeline for software and infrastructure that aligns with the Bureau's adoption of cloud services and solutions. These activities to accelerate cloud adoption complement the Treasury implementation of zero trust architecture (ZTA) and will further support Fiscal's effort to transition from aging and costly on-premise platforms to secure modern platforms that protect federal agencies and the public that access Fiscal Service systems.

<u>Secure Space +$4,000,000 / +0 FTE</u>
To support national security programs, Fiscal Service has a significant need to strengthen its ability to communicate effectively in classified settings. Investments would fund space reconfigurations and technology needed to carry out this work.

<u>Evidence Building and Performance Data Initiative +$2,500,000 / +10 FTE</u>
Treasury's Implementation of the Foundations for Evidence-Based Policymaking Act (Evidence Act) requires agencies to strengthen a broad complement of analytical-support activities including enterprise-strategic planning, program evaluation, data-collection, and performance analytics to improve the overall capability to assess progress against outcomes. In FY 2024, Fiscal Service will increase its capacity for enterprise planning, collection and analysis of performance data, and program evaluations. Increasing Fiscal's capacity to conduct more evaluations, such as the recent effort to assess the delivery of government payments to hard-to-reach populations, would enhance the capacity to analyze performance data. This will enable the bureau to better assess the effectiveness and efficiency of programs, policies, and services. Increasing evaluation activities will drive evidence-building in areas such as organizational efficiency, program effectiveness, diversity and inclusion, customer experience and research, emerging technology, and data quality.

1.3 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2022 Actual Obligations	FY 2023 Estimated Obligations	FY 2024 Estimated Obligations
11.1 - Full-time permanent	192,119	194,741	207,508
11.3 - Other than full-time permanent	492	219	233
11.5 - Other personnel compensation	5,948	5,409	5,768
11.9 - Personnel Compensation (Total)	**198,559**	**200,369**	**213,509**
12.0 - Personnel benefits	75,728	78,256	83,405
13.0 - Benefits for former personnel	8	0	0
Total Personnel and Compensation Benefits	**$274,296**	**$278,625**	**$296,914**
21.0 - Travel and transportation of persons	345	1,601	1,635
22.0 - Transportation of things	36	81	83
23.1 - Rental payments to GSA	25,243	26,274	26,808
23.2 - Rental payments to others	0	0	0
23.3 - Communications, utilities, and miscellaneous charges	48,977	67,696	69,059
24.0 - Printing and reproduction	204	107	109
25.1 - Advisory and assistance services	54,096	64,238	65,616
25.2 - Other services from non-Federal sources	25,334	22,713	42,948
25.3 - Other goods and services from Federal sources	318,805	330,238	342,633
25.4 - Operation and maintenance of facilities	1,727	2,425	2,473
25.7 - Operation and maintenance of equipment	6,868	8,194	8,360
26.0 - Supplies and materials	4,278	2,856	2,913
31.0 - Equipment	811	1,520	1,550
32.0 - Land and structures	0	656	669
Total Non-Personnel	**$486,724**	**$528,599**	**$564,856**
Total Obligations	**$761,019**	**$807,224**	**$861,770**

Full-time Equivalents (FTE)	**1,865**	**1,841**	**1,861**

Note: The 2024 Budget Appendix includes a separate presentation for the Debt Collection Fund, this table includes amounts presented in Schedule O of the Debt Collection Fund account.

D – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
DEPARTMENT OF THE TREASURY BUREAU OF THE FISCAL SERVICE *Federal Funds* SALARIES AND EXPENSES	
For necessary expenses of operations of the Bureau of the Fiscal Service, **[**$372,485,000**]***$399,263,000*; of which not to exceed $8,000,000, to remain available until September 30, **[**2025**]***2026*, is for information systems modernization initiatives; and of which $5,000 shall be available for official reception and representation expenses. In addition, **[**165,000**]***$225,000*, 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, 2023.)*	Adjusting the reimbursement amount for Oil Spill to reflect the increasing cost for the administration and personnel supporting the Trust Fund. Adjustments have not been made in approximately ten years to account for the constantly increasing cost.

<u>Federal Reserve Bank Permanent, Indefinite Appropriation</u>

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 accounting and reporting, collections, disbursements, and debt collection programs. These, and other programs, are vital to the NFCI, Treasury's and Fiscal Service's strategic goals, and the expansion of e-Government efforts to reduce costs, improve accuracy and increase options available to citizens to conduct transactions with the federal government. Fiscal Service estimates that the cost of FRB services for FY 2024 will be approximately $706 million.

<u>Reimbursements to the Federal Reserve Banks</u>

Public Law (P.L.) 101-509, 104 Stat. 1389, 1394 (1990), established a permanent, indefinite appropriation to pay such sums as may be necessary to reimburse the FRBs for acting as fiscal agents. This account was further defined in FY 1992 to solely support those activities related to the administration of the public debt. Funding for FY 2024 is estimated at $193 million.

<u>Financial Agent Services Permanent, Indefinite Appropriation</u>

Congress has given the Secretary of the Treasury authority to deposit money in financial institutions and obtain banking and financial services by designating qualified financial institutions to act/serve as Financial Agents (FAs) of the United States. The services support many Fiscal Service programs, such as collections, disbursements, 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 the cost of FA services for FY 2024 will be approximately $1.172 billion, which includes approximately $1 million for Government Sponsored Enterprise – Mortgage-Backed Securities administrative costs.

Government Losses in Shipment

P.L. 103-329 established a permanent, indefinite appropriation to pay such sums as necessary to make payments for the replacement (or value) of valuables lost, destroyed, or damaged during 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 is delegated to the Fiscal Service Commissioner. In FY 2024, the funding estimated to support payments for the replacement of valuables is approximately $22 million. This increase is attributable to anticipated reimbursements to financial institutions for loses associated with identified savings bonds fraud.

1.4 – Permanent, Indefinite Appropriations Table

Dollars in Thousands

Permanent, Indefinite Appropriation	FY 2022 Actuals	FY 2023 Estimates	FY 2024 Requested
Federal Reserve Bank[1]	$663,000	$685,000	$706,000
Reimbursements to the Federal Reserve Banks	$174,000	$188,000	$193,000
Financial Agent Services[1,2]	$1,036,000	$1,149,000	$1,172,000
Government Losses in Shipment[3]	$229	$11,899	$21,771

[1] Approximately $86M was reimbursed from other government agencies and deposited in the General Fund in FY 2022.
[2] FY 2022 - FY 2024 includes $1M per year for the Government Sponsored Enterprise - Mortgage Backed Securities administrative costs.
[3] Government Losses in Shipment increased in FY 2023 and FY 2024 due to paper savings bond fraud that requires reimbursement to financial partners.

E – Legislative Proposals

1. Ensure the Treasury Do Not Pay Business Center (DNP) has full access to complete state death data.

The proposal would include DNP consulting with State Vital Records Offices, NAPHSIS, and the Social Security Administration to determine the appropriate process for accessing complete state death data for its purposes after the evaluation of death data sharing has concluded and full compensation provisions for costs of access and distribution are in place as intended by the Consolidated Appropriations Act, 2021.

2. Expand Treasury's access to the National Directory of New Hires (NDNH).

This proposal would authorize DNP to facilitate data exchange with paying agencies that are currently authorized by the Social Security Act to access NDNH regarding persons receiving Federal payments while identifying individuals who are ineligible to receive payments or who are receiving erroneous payments.

3. Modify the Fair Credit Reporting Act (FCRA) to allow the DNP to utilize consumer data for the purpose of identifying and preventing improper payments and minimizing fraud, waste, and abuse. *Estimated Savings/Cost Avoidance: Estimated incremental increase of $1.45B in improper payments identified over 10-year period.*

This proposal amends language in the FCRA, 15 U.S.C. § 1681a and authorizes DNP to partner with data aggregators such as credit reporting agencies to validate several payee attributes. This authority would help agencies identify, prevent, and recover improper payments based on income eligibility and location. DNP's ability to use FCRA data as a source to proxy residency data will add substantial value for work identifying improper payments in federally funded, state administered programs such as SNAP and Medicaid.

4. Expand Treasury's authority to require bank account verification, pre-certification.
Estimated Savings/Cost Avoidance: Cost avoidance over a 10-year period is estimated at $11.6B in improper payments identified.

This proposal would provide Treasury the authority to require Federal paying agencies to confirm the accuracy of their payees' bank account information prior to certification to identify potentially erroneous or fraudulent transactions and improve payment accuracy. Bank account verification(s) would compare pre-certification payment information with commercially available data, such as the information available through the Fiscal Service's Account Verification Services (AVS), to confirm the existence of an account, its status, standing, and ownership, prior to initiating payments to that account. While the prior proposal (third legislative proposal) focuses on providing the certifying agency the opportunity to update payment information (in accordance with applicable law and industry rules), this initiative is focused on providing agencies with additional tools to verify the accuracy of their proposed payments before certifying them for disbursement. This change would assist in combating financial loss caused by fraud and ensure that payment account verification is conducted on all Federal payments disbursed by Treasury.

5. Expand Treasury's authority to require bank account comparison (matching), pre-certification. *Estimated Savings/Cost Avoidance: Cost avoidance over a 10-year period is estimated at $152 million in labor and material associated with printing approximately 200 million checks.*

This proposal seeks discretionary authority for Treasury to require agencies to compare the payee bank account information they have on file with other sources of bank account information available to (or through) Treasury, to reduce the number of improper payments and increase electronic payments. Bank account matching would help decrease the number of checks issued which would result in cost savings from the processing of the payments. Expanding flexibilities pre-certification is preferable to post-certification to avoid the added responsibility on the disbursing officer. Treasury could implement this proposal in stages to achieve the desired policy goals.

6. Simplify Debt Management Services (DMS) Fees.
Current Process: DMS must separately account for the costs of its Cross-Servicing Programs and the five TOP programs. However, these programs have many complementary and overlapping functions and processes, making determination of separate fees an administratively difficult and inefficient process.

This proposal authorizes DMS to consolidate Treasury Offset Program (TOP) and Cross-Servicing fees. DMS would utilize combined fees to cover overlapping functions evenly as overhead across the TOP and Cross Servicing Programs. This change would increase the efficiency of Fiscal Service's debt collection operations by simplifying the cost-accounting and fee-setting processes. It would also reduce volatility in year-to-year fee adjustments and assist Fiscal Service in assessing fees (which are generally passed on to debtors as costs) in an equitable manner.

7. Make Technical Corrections Regarding Calculation of Current Value of Fund Rate.
Federal agencies are required to assess interest on nontax debts that are not timely paid. The interest rate is calculated pursuant to 31 U.S.C. § 3717. This proposal would make technical changes to the statute to expressly authorize the use of the current value of funds rate (CVR) to establish the applicable interest rate, which is consistent with current practice.

Section II – Annual Performance Plan and Report

A – Strategic Alignment
Fiscal Service plays an integral role in the NFCI of the entire federal government, and the financial services we provide touch the lives of nearly every American. The bureau delivers its mission to promote the financial integrity and operational efficiency of the federal government through exceptional accounting, financing, collections, disbursements, and shared services. Fiscal Service is guided by Treasury's strategic plan, the Future of Federal Financial Management Vision (FM Vision), and our own strategic plan, which outlines four strategic goals focusing on operations, data, customer experience, and workforce.

The FM Vision outlines three expectations the public has for federal financial management which guide the work within Fiscal Service:
- The Government is an efficient steward of its financial resources;
- Financial information provided by the Government is accurate; and
- Financial interactions with the Government are inclusive, modern, seamless, and secure.

Fiscal Service is committed to providing our customers with innovative, modern financial management solutions. This includes providing a modern customer experience to the American public, leading the federal financial management community, and unlocking value for agency Chief Financial Officers (CFOs).

To transform financial management, Fiscal Service is guided by its strategic vision to deliver modern and innovative financial management operations and services that are inclusive, efficient, sustainable, and secure; increase the value, availability, and quality of our data for decision-making and insights; improve the customer experience throughout the journey with Fiscal Service; and recruit, retain, develop, and engage a diverse, high-performing workforce to meet our customers' needs. These transformations are more important than ever as we move forward to meet customer demands, evolving cyber threats, and emerging trends in the needs and capabilities of our workforce. This will position Fiscal Service to deliver the reliable services that agencies and the public can continue to count on.

Fiscal Service operations and initiatives support and advance all five of Treasury's strategic goals. Specifically, Fiscal Service supports these Treasury strategic goals and objectives.

- Goal 1 - Promote Equitable Economic Growth and Recovery
  - Objective 1.3 - Economically Resilient Communities
- Goal 2 - Enhance National Security
  - Objective 2.1 - Cyber Resiliency of Financial Systems and Institutions
- Goal 3 - Protect Financial Stability and Resiliency
  - Objective 3.3 - Financial Innovation
- Goal 4 - Combat Climate Change
  - Objective 4.4 - Sustainable Treasury Operations
- Goal 5 - Modernize Treasury Operations
  - Objective 5.1 - Recruit and Retain a Diverse and Inclusive Workforce
  - Objective 5.2 - Future Work Routines

- Objective 5.3 - Better Use of Data
- Objective 5.4 - Customer Experience Practices

Fiscal Service fulfills its mission and strategic vision through appropriated budget activities – Accounting and Reporting, Collections, Payments, Retail Securities Services, Wholesale Securities Services – and one mandatory budget activity for Debt Collection, which is funded through delinquent debt collection revenue.

The FY 2024 request maintains Fiscal Service's ability to continue delivering operational excellence by providing funding to cover inflationary cost increases while also supporting targeted investments in using data and evidence to ensure efficient stewardship of financial resources, providing financial information that is accurate, and delivering financial interactions that are modern, inclusive, seamless, and secure. Specifically, the Cybersecurity and Cloud Migration and Secure Space initiatives directly support Treasury's 2.1 objective to advance cyber resiliency of financial systems and institutions. The Evidence Building and Performance Data initiative directly supports Treasury's objective 5.3 to make better use of data, which also enables improved outcomes across the entire Fiscal Service portfolio.

The following sections detail how specific budget activities support the strategic direction and illustrate FY 2022 performance accomplishments and FY 2023 and 2024 performance goals.

B – Budget and Performance by Budget Activity
2.1.1 – Accounting and Reporting Resources and Measures

Dollars in Thousands

Resource Level	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Operating Plan	FY 2024 Request
Appropriated Resources	$90,291	$94,104	$94,446	$102,344	$94,019	$96,956	$104,783
Reimbursable Resources	$18,923	$20,114	$21,205	$23,937	$22,457	$23,299	$24,244
Budget Activity Total	**$109,214**	**$114,218**	**$115,651**	**$126,281**	**$116,476**	**$120,255**	**$129,027**
Full-time Equivalents (FTE)	**400**	**373**	**355**	**400**	**399**	**390**	**395**

Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2022 Target	FY 2023 Target	FY 2024 Target
Percentage of Government-wide Accounting Reports Issued Timely	100	99.6	100	100	100	99	99	99
Number of High Value Analytics Use Cases Deployed [NEW]	N/A	N/A	N/A	3	3	4	5	8

Key: N/A- Not Applicable

Accounting and Reporting Budget and Performance

($104,783,000 from direct appropriations, $24,244,000 from reimbursable sources):
Fiscal Service's Accounting and Reporting budget activity aims to strengthen financial reporting and data transparency by providing the public and private sectors, federal agencies, and the American public transparency on the Government's financial status.

Fiscal Service is responsible for maintaining the federal government's set of accounts and serves as the repository of information for the financial position of the United States Government. The bureau closely monitors the Government's monetary assets and liabilities through its oversight of central accounting and reporting systems. Fiscal Service oversight responsibilities include helping federal agencies use uniform accounting and reporting standards and systems and assuring the continuous exchange of financial information between federal agencies, OMB, and financial institutions.

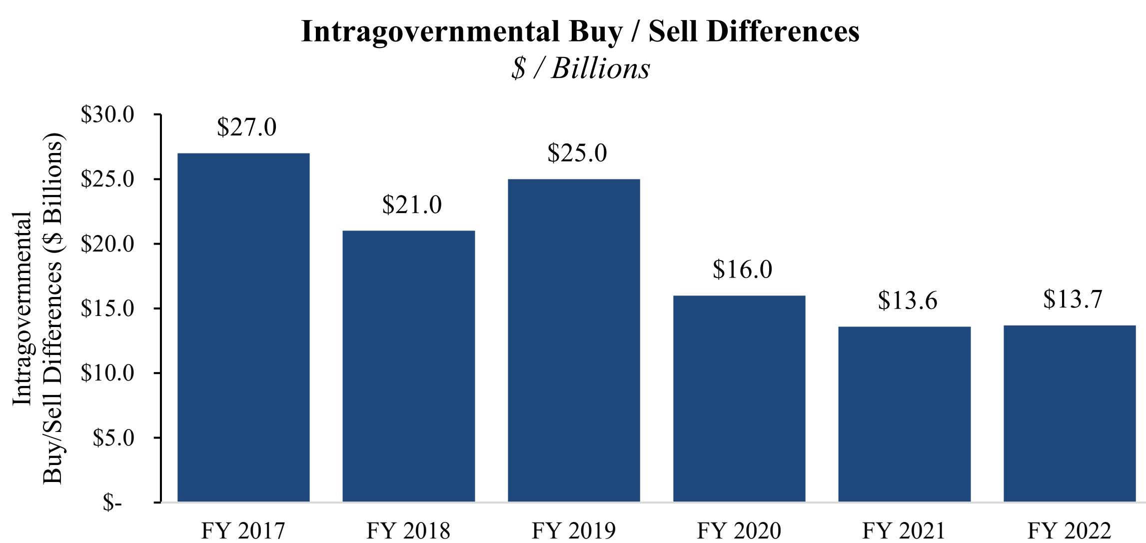
Fiscal Service gathers and publishes Government-wide financial information for use in establishing fiscal and debt management policies and provides the public and private sectors the ability to monitor the Government's financial status. This includes reporting on the public debt, the federal cash position, the overall financial position of the U.S. government, and interest rates. In FY 2022, Fiscal Service issued the annual Financial Report of the U.S. Government, 12 Monthly Treasury Statements, and 252 Daily Treasury Statements.

Fiscal Service also provides transparency into federal finances to the American public through USAspending.gov (USAspending) and FiscalData.Treasury.gov (Fiscal Data). USAspending is the official open data source of federal spending information. Fiscal Data is the one-stop shop that provides access to federal financial data, including "Your Guide to America's Finances," in an easy-to-use platform to inspire trust in the government. In FY 2022, 1.8 million users visited USAspending and Fiscal Data.

Fiscal Service also operates the Financial Management Quality Service Management Office (FM QSMO), which launched the FM Marketplace in December 2022 that agencies can use to obtain financial systems and services. Marketplace offerings include core financial systems solutions offered in the cloud with standards embedded, financial management services and solutions, and Treasury centralized services. The Accounting and Reporting program also funds approximately $1.6M for the Treasury and OMB shares of operating cost of the Federal Accounting Standards Advisory Board (FASAB), which issues federal financial accounting standards and supports the federal financial management community's efforts to improve financial reporting and meet its accountability responsibilities.

Description of Performance:
In FY 2022, Fiscal Service accounted for and reported on the financial activity related to the $30.9 trillion public debt and managed an average daily cash flow of $185 billion. Fiscal Service continued to issue 100 percent of Government-wide accounting reports on time, including the annual Financial Report of the U.S. Government, which reports the financial condition of the federal government using accrual-based accounting.

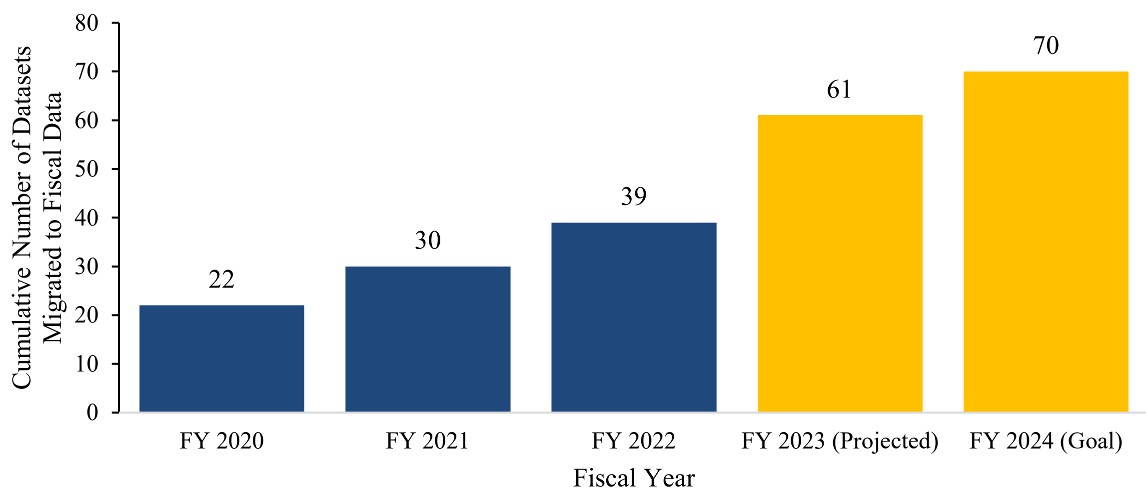
Fiscal Service continued progress on implementing G-Invoicing, the government invoicing solution that allows agency buyers and sellers to negotiate terms, broker orders, exchange information, and validate settlement requests online. Reporting buy/sell transactions among agencies accurately is essential for the government's financial statement, and G-Invoicing is a key driver to reducing buy/sell intragovernmental differences. In FY 2022, agencies completed over $4 billion in intragovernmental buy/sell transactions in G-Invoicing. In FY 2023 and FY 2024, Fiscal Service will continue partnering with agencies to implement G-Invoicing government-wide, which will continue to reduce intragovernmental buy/sell differences.



Fiscal Service continued to provide the American public with transparent and easily accessible financial data through its USAspending and Fiscal Data websites. In FY 2022, Fiscal Service broadened its training and outreach efforts to connect new audiences with financial data. Fiscal Service launched the new USAspending YouTube channel, an interactive page explaining USAspending data sources and frequency of data updates; and issued a new Analyst Guide to provide direction on how to effectively use USAspending data. User enhancements will continue based on the results of the USAspending customer satisfaction survey issued in FY 2022. In FY 2023 and FY 2024, Fiscal Service will continue to leverage customer feedback to make enhancements focused on site useability. Additional upgrades will include the re-architecture of USAspending's data pipeline to reduce daily data refresh time and add more resilience. Additionally, Fiscal Service is implementing security control changes in alignment with the Zero Trust policy to improve user and system identity monitoring, network confidentiality, and application integrity.

The bureau made significant advancements on its Fiscal Data website during FY 2022. Fiscal Service continued migrating datasets from legacy formats and locations to the Fiscal Data website, with a total of 39 datasets and 82 data tables onboarded to the site. In FY 2023 and FY 2024, Fiscal Service will continue to migrate datasets to Fiscal Data, with a goal to migrate 70 by FY 2024. *Your Guide to America's Finances* was also released on Fiscal Data, the latest step to becoming a one-stop-shop for questions about federal finances.

Modern, Useful Data on FiscalData.Treasury.gov
Datasets Migrated – Cumulative Number



To build our internal capabilities to use data effectively and inform decision-making, Fiscal Service published a Data Analytics Playbook and Data Management Playbook and launched Fiscal Data University to advance knowledge and skillsets in the science of data analytics, directly supporting Treasury's strategic objective to make better use of data. The bureau continues to develop the data and evidence-building culture as the analytics, data stewardship, and evaluation communities of practices grow.

2.1.2 – Collections Resources and Measures

Dollars in Thousands

Resource Level	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Operating Plan	FY 2024 Request
Appropriated Resources	$38,338	$42,333	$38,976	$42,317	$44,008	$47,804	$52,276
Reimbursable Resources	$8,042	$7,804	$8,535	$9,311	$11,192	$11,611	$12,096
Budget Activity Total	**$46,380**	**$50,137**	**$47,511**	**$51,628**	**$55,200**	**$59,415**	**$64,372**
Full-time Equivalents (FTE)	**160**	**156**	**148**	**153**	**154**	**151**	**153**

Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2022 Target	FY 2023 Target	FY 2024 Target
Percentage of total federal government receipts settled electronically (in dollars) [%]	98.0	98.4	99.0	99.6	99.8	99.0	DISC	DISC
Percentage of total federal government receipts initiated electronically (in dollars) [%] [NEW]	82.5	83.6	84.1	83.0	83.2	83.1	83.1	83.4

Key: DISC - Discontinued

Collections Budget and Performance

($52,276,000 from direct appropriations, $12,096,000 from reimbursable sources):
The Collections budget activity supports the NFCI and Treasury by administering the world's largest government collection system through a network of Fiscal and Financial Agents. This activity also establishes and implements collection policies, regulations, standards, and procedures for the federal government. Fiscal Service provides agencies and the public a variety of modern electronic options for paying federal taxes, charges, and fees and continues to increase the share of revenue that is collected and settled electronically. These collections are critical to the economy, to the operations of the Government, and to the daily lives of the American public.

In FY 2022, Fiscal Service collected nearly $5.76 trillion in federal revenue, including individual and corporate income tax deposits, customs duties, fees for Government services, fines, and loan repayments.

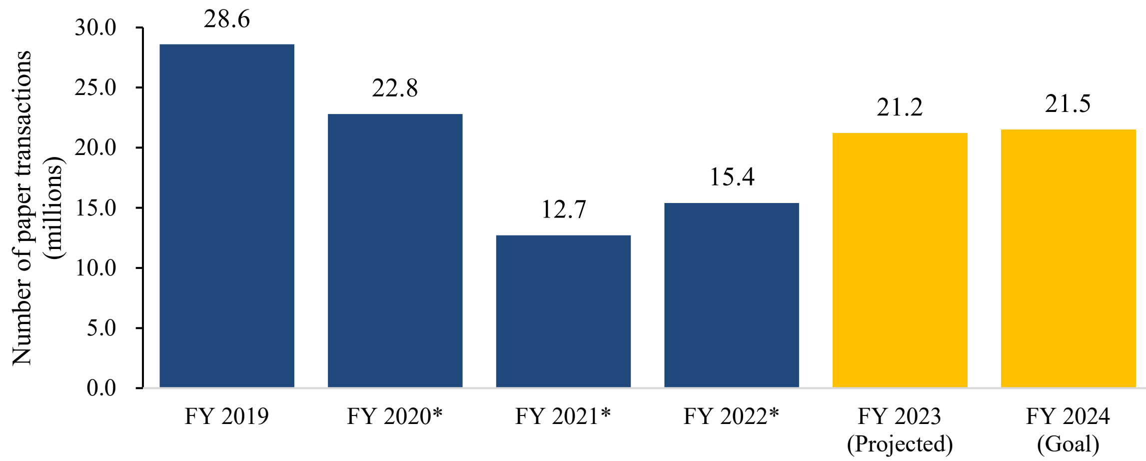
Description of Performance:
Fiscal Service is streamlining manual collections processes and providing agencies and the public with modern, online options for paying the government. In FY 2022, Fiscal Service settled 99.8 percent of total federal government receipts electronically, exceeding its target of 99.0 percent. Fiscal Service's emphasis on streamlining lockbox operations and automating manual processes has resulted in consistent year-over-year improvements to this measure. Fiscal Service continues to drive paper out of its collection channels by increasing adoption of e-commerce digital solutions across federal agencies. The bureau's e-commerce suite includes online bill payment, digital wallets, and mobile applications. In FY 2022, the average number of federal agencies using the e-commerce suite grew from 76 to 85; 13 agencies were added to digital wallets and 11 agencies were added to mobile applications. Fiscal Service currently offers

the ability to pay through PayPal and Amazon Pay and plans to expand its digital wallet offerings to include Apple Pay and Google Pay by FY 2025, providing the public with modern options and an improved customer experience.

In addition to its e-commerce initiatives, Fiscal Service continues to increase digitization of paper collections in both the General Lockbox Network (GLN) and the Treasury General Account (TGA) Network. The GLN collects and processes checks and paper forms for federal government agencies. In FY 2023 and FY 2024, Fiscal Service will work with federal agencies to replace paper checks and forms with modern online options for people making payments to the government, with a goal to reduce paper volume processed through the GLN by 25 percent by 2024, when compared with 2019 levels.

Increasing Digitization of Paper Collections

Number of GLN Paper Transactions (Millions)

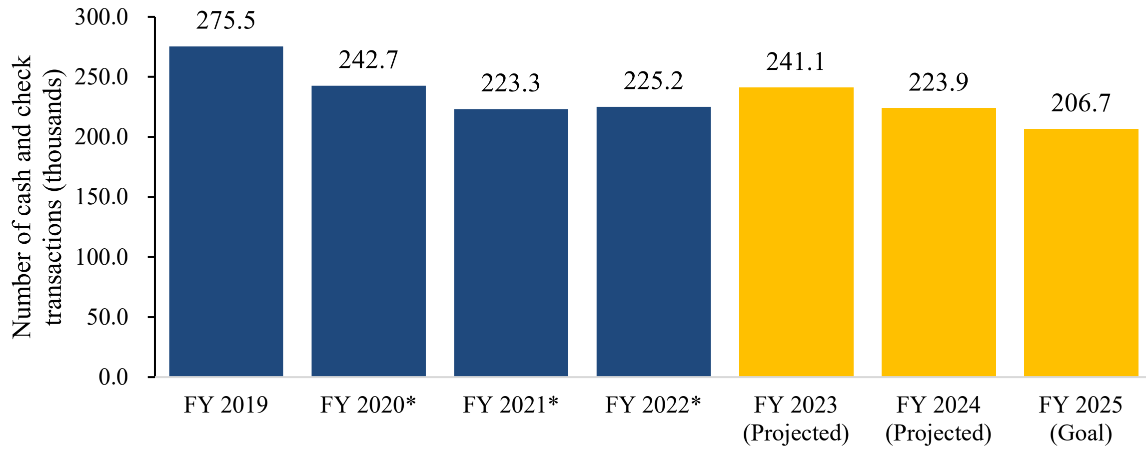


**GLN transaction volume decreased during the pandemic because some agency billing obligations were suspended.*

The TGA Network provides banking services to federal agencies around the world, including deposits of cash and checks. In FY 2023 and FY 2024, Fiscal Service is continuing to convert paper processes to electronic solutions to better meet customer agency needs while maintaining operational stability, with a goal to convert 25 percent of TGA Network transactions from and check bank deposits to electronic by 2025, when compared with 2019 levels.

Increasing Digitization of Paper Collections

Number of TGA Network Cash and Check Transactions (Thousands)



**TGA network transaction volume decreased during the pandemic due to fewer over-the-counter transactions during the pandemic.*

In FY 2023, Fiscal Service will continue efforts to pilot and implement capabilities that provide the ability to pay or be paid instantly, with near real-time settlement. This new, safe, and efficient payment mechanism is taking its place alongside cash, checks, the automated clearing house (ACH), wire transfer, and credit and debit cards. Fiscal Service will add this new payment system to options the government makes available to the public.

Additionally, in FY 2023 and FY 2024 Fiscal Service will continue its efforts to incrementally modernize the tax collection system. These efforts will provide a better customer experience, allow for the expansion of functionality, and leverage adoption of cloud-based technology. The modernized tax collection system will incorporate cybersecurity, fraud monitoring and detection, and resiliency components in response to increased threats and readiness expectations.

2.1.3 – Payments Resources and Measures

Dollars in Thousands

Resource Level	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Operating Plan	FY 2024 Request
Appropriated Resources	$131,160	$122,835	$136,678	$136,627	$132,026	$133,328	$141,787
Reimbursable Resources	$117,264	$113,313	$118,127	$139,842	$151,153	$156,820	$158,748
Budget Activity Total	**$248,424**	**$236,148**	**$254,805**	**$276,469**	**$283,179**	**$290,148**	**$300,535**
Full-time Equivalents (FTE)	**508**	**477**	**487**	**524**	**492**	**478**	**485**

Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2022 Target	FY 2023 Target	FY 2024 Target
Percentage of payments disbursed electronically	95.38%	95.61%	96.04%*	96.19%*	96.40%*	96.37%	96.56%	96.91%
Count of Improper Payments Identified or Stopped (# Thousands) [DISC]	20,336	22,415	22,773	23,801	17,115	22,520	DISC	DISC
Dollar Amount of Improper Payments Identified or Stopped ($ Millions) [DISC]	$35.5	$41.1	$43.5	$47.6	$35.83	$38.8	DISC	DISC
Potential improper payments identified, stopped, or recovered [New]	-	-	-	-	-	-	-	B
Percentage of payments screened by Do Not Pay [New]	-	-	-	-	-	-	-	B

Key: DISC – Discontinued; B – Baseline
*Excludes Economic Impact Payments (EIPs), Department of Education, and Department of Veterans Affairs checks directly related to the pandemic.

Payments Budget and Performance

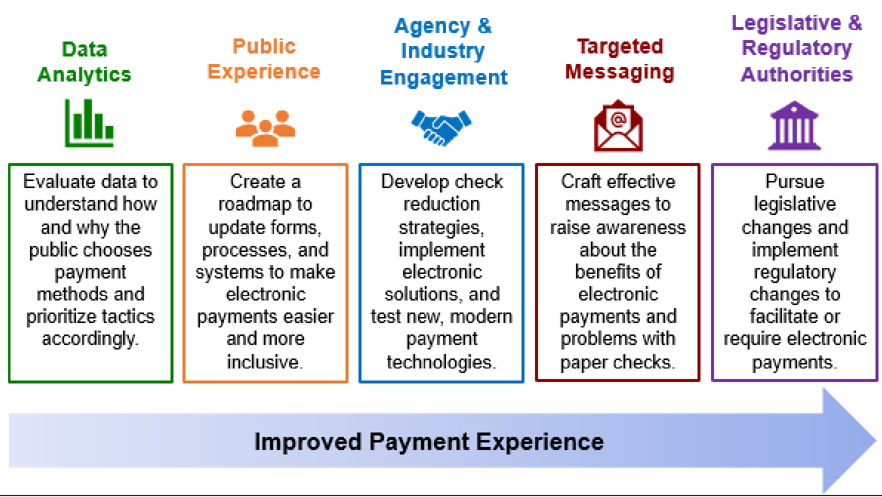
($141,787,000 from direct appropriations, $158,748,000 from reimbursable sources):
The Payments budget activity supports the NFCI and disburses federal payments to individuals, businesses, non-profits, State, local and Tribal governments, and other entities on behalf of more than 250 federal agencies. As the federal government's central disbursing agency, Fiscal Service disbursed 90.5 percent of all federal payments in FY 2022, distributing 1.38 billion payments totaling more than $5.27 trillion. Fiscal Service utilizes mechanisms such as Electronic Fund Transfers (EFT), debit cards, paper checks, and other digital payment channels to deliver payments to the public on behalf of agencies, including payments for programs such as Social Security Benefits, Supplemental Security Income (SSI), Veterans' Compensation and Pension, Federal and Railroad Pensions, and IRS tax refunds. In FY 2022, nearly 81 million Social Security, Medicare, and veterans benefit payments were sent to recipients each month.

Fiscal Service also plays a critical role in leading government-wide efforts to identify, prevent, and recover improper payments through the Payment Integrity Center of Excellence PICOE and DNP Business Center. Fiscal Service has made strategic investments to implement the Payment Integrity Information Act and curb improper payments, including providing federal agencies with access to data sources and data analytics to aid in identification, mitigation, and elimination of improper payments, as well as leveraging cross-government data sharing, an account verification service, the Treasury Check Verification System, investigative case support and other activities to improve payment accuracy and integrity.

Description of Performance:
Fiscal Service continues to focus on providing a modern, seamless, inclusive, and secure payment experience with an emphasis on payment integrity, all-electronic payments, and resilient and secure operations. In FY 2022, Fiscal Service disbursed 96.4 percent of payments electronically, which continued the steady increase toward our electronic payments targets and advanced the Agency Priority Goal (APG) to Improve the Payment Experience. Supporting Executive Order 14058, *Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government*, Treasury's designation as a High-Impact Service Provider, and the Administration's climate and equity priorities, the bureau, in collaboration with IRS, are improving the electronic payment rate for all payments (including individual tax refunds) and improving financial inclusion. Fiscal Service continues to promote and increase the delivery of payments through EFT, with an emphasis on tax refunds, vendor payments, benefit payments, and other miscellaneous payments. This is especially notable, as historically, check payments are 16 times more likely to have exceptions (e.g., lost, stolen, returned, etc.) than payments made via direct deposit.

Fiscal Service continued outreach through the No Check Coalition, a quarterly partnership among the top ten check disbursing agencies, to promote the benefits of electronic payments and develop strategies to implement electronic payment solutions. These outreach efforts contributed to check reductions with several agencies, including the U.S. Department of Agriculture's Commodity Credit Corporation, Veterans Health Administration medical provider payments, Housing and Urban Development vendor checks, and IRS tax refunds.

Fiscal Service's Multi-Pronged Strategy to Improving the Payment Experience



Additionally, Fiscal Service recently conducted evidence-building activities supporting the Payment Experience APG and Treasury and Fiscal Service's Learning Agenda questions focused on improving the delivery of government payments to hard-to-reach populations, which includes individuals that do not have or have challenges accessing bank or credit union accounts or do not have an address. Often these populations are persons of color, persons with disabilities, persons who live in rural areas, and persons living in poverty. The evaluation identified opportunities that could help improve the delivery of government payments to these populations, expand financial inclusion, and further advance electronic payment adoption in FY 2023 and FY 2024.

Fiscal Service advanced its payment integrity efforts through its DNP and PICOE Programs. In FY 2022, DNP screened $2.87 trillion payments to assess whether the payment may be fraudulent or incorrect prior to disbursement. DNP also implemented two new data sources, which are available in the DNP portal and for analytics use. Additionally, DNP onboarded 28 new federal programs and 6 new state programs. In total, DNP identified $35.83 million in potential improper payments during FY 2022.

Fiscal Service also supported the Federal Emergency Management Agency (FEMA) and the Internal Revenue Service (IRS) with payment integrity capabilities such as account verification services and cross-government data analytics. The bureau supported the IRS Taxpayer Protection Program and identified 6 million tax returns as potential identify theft. Of those, 1.4 million returns valued at $7.3 billion were verified and became eligible for expedited release and approximately 14,000 tax returns valued at $117 million were confirmed as identity theft.

In FY 2023 and FY 2024, Fiscal Service will continue expanding its government-wide payment integrity services and solutions. In FY 2023, Fiscal Service will formally integrate DNP and PICOE to establish the Office of Payment Integrity. Fiscal Service will also continue to ensure that the full version of Social Security Administration's Death Master File will be accessible to DNP in FY 2024 as required by the Consolidated Appropriations Act, 2021, Public Law 116-260.

2.1.4 – Retail Securities Services Resources and Measures

Dollars in Thousands

Resource Level	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Operating Plan	FY 2024 Request
Appropriated Resources	$60,491	$55,465	$56,344	$62,104	$78,015	$68,759	$72,899
Reimbursable Resources	$12,100	$13,306	$12,406	$16,418	$15,554	$16,137	$16,867
Budget Activity Total	**$72,591**	**$68,771**	**$68,750**	**$78,522**	**$93,569**	**$84,896**	**$89,766**
Full-time Equivalents (FTE)	**434**	**388**	**393**	**403**	**391**	**381**	**385**

Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2022 Target	FY 2023 Target	FY 2024 Target
Percentage of Unassisted Retail Securities Transactions	N/A	B	70%	63%	77%	72%	73%	73%

Key: B – Baseline; N/A- Not Applicable

Retail Security Services Budget and Performance

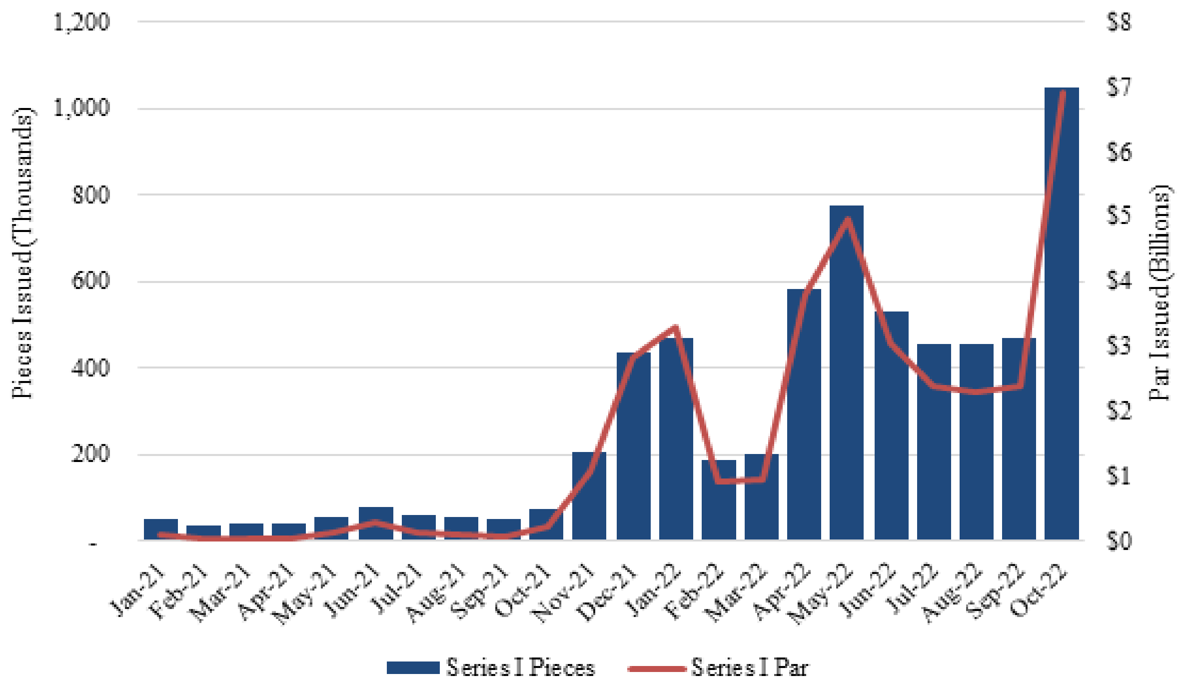
($72,899,000 from direct appropriations, $16,867,000 from reimbursable sources):
Fiscal Service provides simple, safe, and affordable ways for investors to save for their future by directly interacting with the Department of the Treasury and investing in Treasury securities. Treasury began offering paper savings bonds in 1935. Today, electronic savings bonds and

marketable securities are sold through TreasuryDirect, an internet-based book-entry system for purchasing, holding, and conducting Treasury securities transactions.

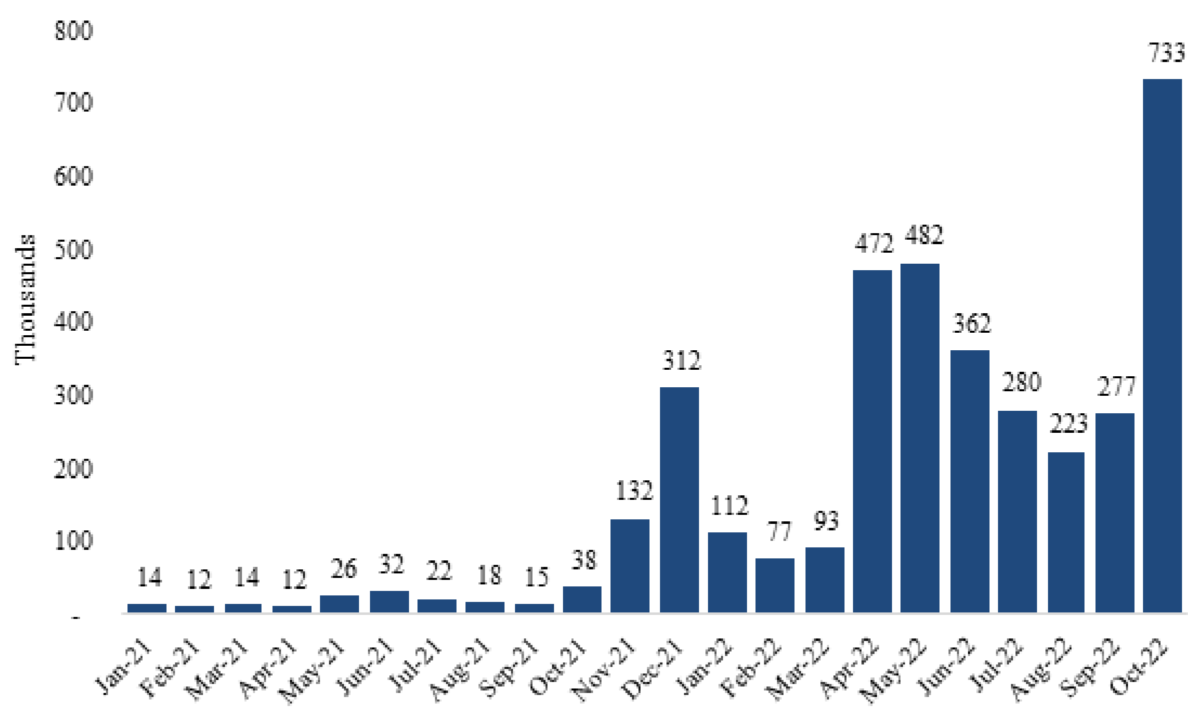
In FY 2022, increasing interest rates on Series I savings bonds drove a historic increase in demand for these investments. As a result, Fiscal Service saw unprecedented volumes of both sales and new customers. Sales of Series I bonds surpassed $28 billion in FY 2022, an increase of 27 times over FY 2021 volumes. Given the increased demand in Series I savings bonds, more than 2.8 million new TreasuryDirect accounts were created in FY 2022, bringing the total customers holding savings bonds to approximately 27 million. Along with this increase in new purchase activity, Fiscal Service also saw an extended influx of redemption requests leading to a surge in call and case volumes for the Retail Security Services budget activity. Inbound case volume increased by 3 percent over prior year averages, and we expect similar levels in 2023 and 2024. In total, during FY 2022 Fiscal Service electronically issued $119.8 billion in Treasury retail securities, serviced customers in redeeming $85.4 billion Treasury securities, and made $25.5 billion in retail payments.

Description of Performance:
Fiscal Service continues to work to improve the customer online experience and encourage self-service. In FY 2022, Fiscal Service saw the percentage of unassisted retail customer service transactions increase from 63 percent to 77 percent, exceeding the FY 2022 target. This increase was largely due to the unprecedented volume of new TreasuryDirect accounts created and sales of Series I savings bonds. To assist with customer demand for Series I savings bonds, Fiscal Service added resources to the call center to assist with customer transactions and made enhancements to the TreasuryDirect website to enable customers to complete transactions independently. This increased demand along with increased redemption requests resulted in significant workload increases, and the average number of retail securities cases in inventory grew from 14.8 thousand in FY 2021 to 33.1 thousand in FY 2022. While Fiscal Service anticipates Series I savings bond sales to decline in FY 2023, the bureau still expects the sales to remain elevated compared to historical levels. These increased sales will result in higher workloads in future years to support customer servicing functions.

Series I Savings Bond Issues – January 2021 to October 2022



TreasuryDirect Accounts Created – January 2021 to October 2022



In FY 2022, Fiscal Service improved the customer experience by refreshing the TreasuryDirect website, which currently supports over 57,000 visits per day, based on evidence-based customer research. This research resulted in improvements to the website, including new information architecture with task-based navigation, embedded help topics, enhanced search functionality, and a responsive design for mobile and tablet devices. Fiscal Service will continue to monitor customer satisfaction with the website, analyze call center data to understand impact on call volumes, and will continue to make iterative adjustments based on research.

Treasury Retail Investment Manager (TRIM), a key initiative to replace TreasuryDirect with myTreasury, will continue its development and incremental releases in FY 2023 and FY 2024. MyTreasury will transform the customer experience by offering a modern, efficient, and customer-centric system and enable customer to purchase, manage, and redeem their Treasury security holds through one platform. In FY 2023 and FY 2024, the iterative adjustments to TreasuryDirect and incremental releases to myTreasury will improve the customer experience and drive customer self-service. Fiscal Service anticipates these adjustments to support our ability to maintain higher levels of unassisted retail securities transactions, and ultimately meet the 73 percent target.

In FY 2022, Fiscal Service continued to make progress on the Matured Unredeemed Debt (MUD) initiative (supported through multi-year funding provided in FY 2020 and FY 2021), which is aimed at assisting bond holders to identify and claim savings bonds that have reached final maturity and are no longer earning interest. Of the approximately 7 billion savings bonds issued in paper form, approximately 88.9 million pieces, totaling $35.4 billion, had matured but remained unredeemed by the end of FY 2022. To support this initiative, Fiscal Service has begun digitizing its savings bond records, recently completing the digitization of approximately 2 billion images of savings bond records associated with bonds issued from 1974 to 1993. Collectively, these years represent more than 91 percent of the current MUD balance. Digitization efforts are now also underway for records associated with savings bonds issued 1957–1973. During FY 2023 and FY 2024, the Fiscal Service will be making improvements to Treasury Hunt, an online search tool customer can use to find matured savings bonds. The bureau will also be working to fulfill the requirements enacted in the SECURE 2.0 Act of 2022 associated with providing savings bond information to states.

2.1.5 – Wholesale Securities Services Resources and Measures

Dollars in Thousands

Resource Level	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Operating Plan	FY 2024 Request
Appropriated Resources	$21,851	$23,522	$23,414	$25,031	$26,005	$25,638	$27,518
Reimbursable Resources	$4,613	$4,599	$5,062	$5,415	$5,910	$6,132	$6,367
Budget Activity Total	**$26,464**	**$28,121**	**$28,476**	**$30,446**	**$31,915**	**$31,770**	**$33,885**
Full-time Equivalents (FTE)	**116**	**112**	**116**	**125**	**130**	**126**	**128**

Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2022 Target	FY 2023 Target	FY 2024 Target
Percentage of Auction Results Released Accurately	98.9%	98.8%	100%	100%	100%	100%	100%	100%
Percentage of Auctions Successfully Completed by the Scheduled Close Date	N/A	100%	100%	100%	99.75%	100%	100%	100%

Key: N/A- Not Applicable

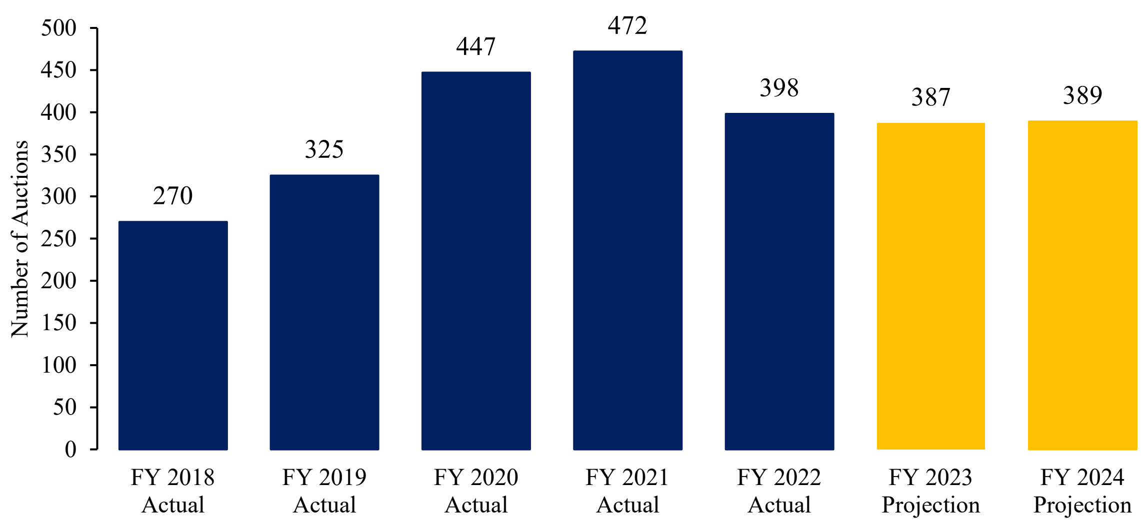
Wholesale Securities Services Budget and Performance

($27,518,000 from direct appropriations, $6,367,000 from reimbursable sources):

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

In FY 2022, Treasury successfully conducted 398 auctions and awarded $17.35 trillion in Treasury securities to fund critical government operations and activities.

Total Number of Auctions Conducted



Description of Performance:
In FY 2022, Fiscal Service met its target to release 100 percent of auction results accurately. In addition, 99.75 percent of auctions were successfully held by the scheduled close date, which was slightly below the target of 100 percent due to technical issues that have been resolved.

In FY 2022, Fiscal Service continued the Financing Modernization (FinMod) effort, a multi-year initiative to modernize the financing system in alignment with Treasury's strategic priorities and long-term business requirements. This modernization includes the development of a new system to support operations, meet customer expectations, become current with existing technologies, manage technical debt, and improve the delivery of secure, flexible, and resilient financing services. This modernization effort will continue into FY 2026.

In addition to advancing its modernization initiative, during FY 2022, Fiscal Service increased automated testing and successfully deployed fourteen enhancement releases to the current auction system. In FY 2023 and FY 2024, additional incremental enhancements to the current auction system and the FinMod development effort will allow Fiscal Service to continue to maintain its operational excellence, resulting in 100 percent targets for auction results released accurately and auctions successfully closed by the scheduled close date.

2.1.6 – Debt Collection Resources and Measures

Dollars in Thousands

Resource Level	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Operating Plan	FY 2024 Request
Appropriated Resources	$0	$0	$0	$0	$0	$0	$0
Reimbursable Resources	$167,726	$204,512	$214,910	$195,256	$180,670	$204,581	$210,205
Budget Activity Total	**$167,726**	**$204,512**	**$214,910**	**$195,256**	**$180,670**	**$204,581**	**$210,205**
Full-time Equivalents (FTE)	**389**	**366**	**348**	**332**	**299**	**315**	**315**

Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2022 Target	FY 2023 Target	FY 2024 Target
Count of Improper Payments identified or stopped FYTD [#]	20,336	22,415	22,773	23,801	17,115	22,520	DISC	DISC
Dollar amount of Improper payments identified or stopped during the fiscal year [$ Millions]	35.53	41.10	43.50	47.61	35.83	38.8	DISC	DISC
Amount of delinquent debt collected through all available tools [$ Billion]	7.44	9.65	10.68	5.04	5.52	5.26	DISC	DISC
All delinquent debt collected FYTD as a percentage of all delinquent debt referred FYTD [%]	N/A	14.0	15.7	15.9	16.58	15.0	13.9	13
Percentage of the active delinquent debt portfolio collected FYTD [%]	N/A	6.8	9.2	7.3	6.26	6.7	6.5	6.0

Key: DISC - Discontinued; Key: N/A- Not Applicable

Debt Collection Budget and Performance

($210,205,000 from Debt Collection sources):

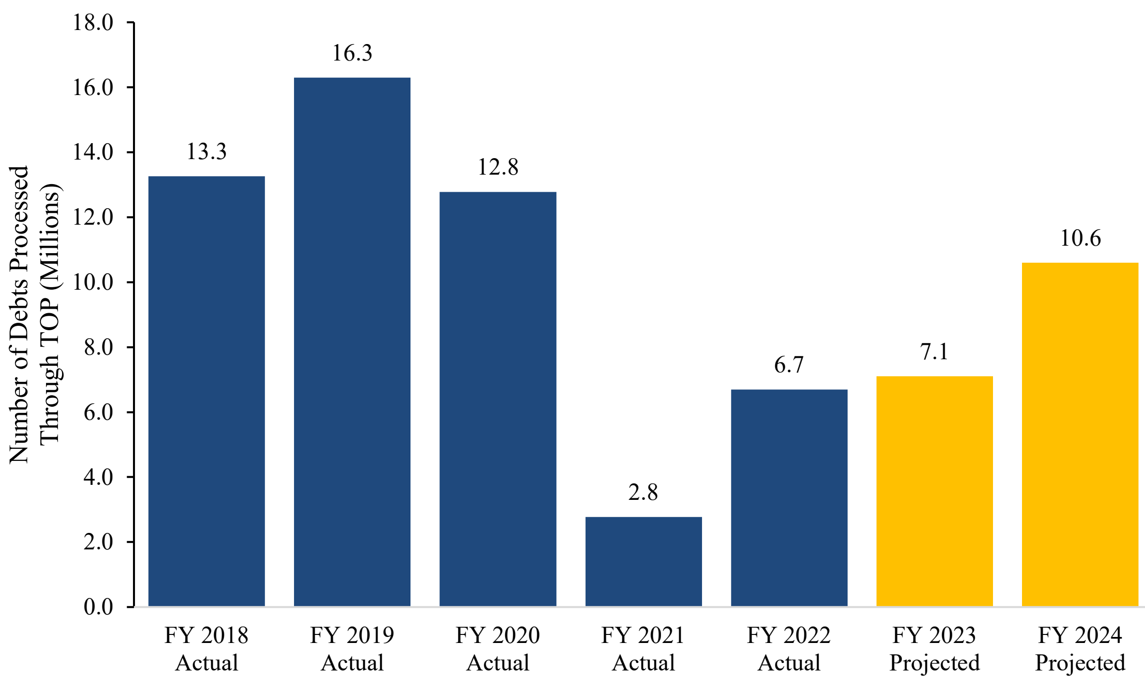
Fiscal Service is the Government's central debt collection agency and funds its delinquent debt collection operations through fees charged to agencies that refer debts for collection. The Debt Collection budget activity helps federal agencies and state governments collect money that is owed to them and collects this delinquent debt through two programs: the Treasury Offset Program (TOP) and Cross-Servicing.

TOP collects delinquent federal and state tax and non-tax debts by matching the names and taxpayer identifying numbers of debtors included in its database against the names and taxpayer identifying number of recipients of federal and state payments. If there are matches, the amounts of the payments are reduced ("offset") to satisfy either all or a portion of the delinquent debts. In FY 2022, over $5.16 billion was collected through TOP.

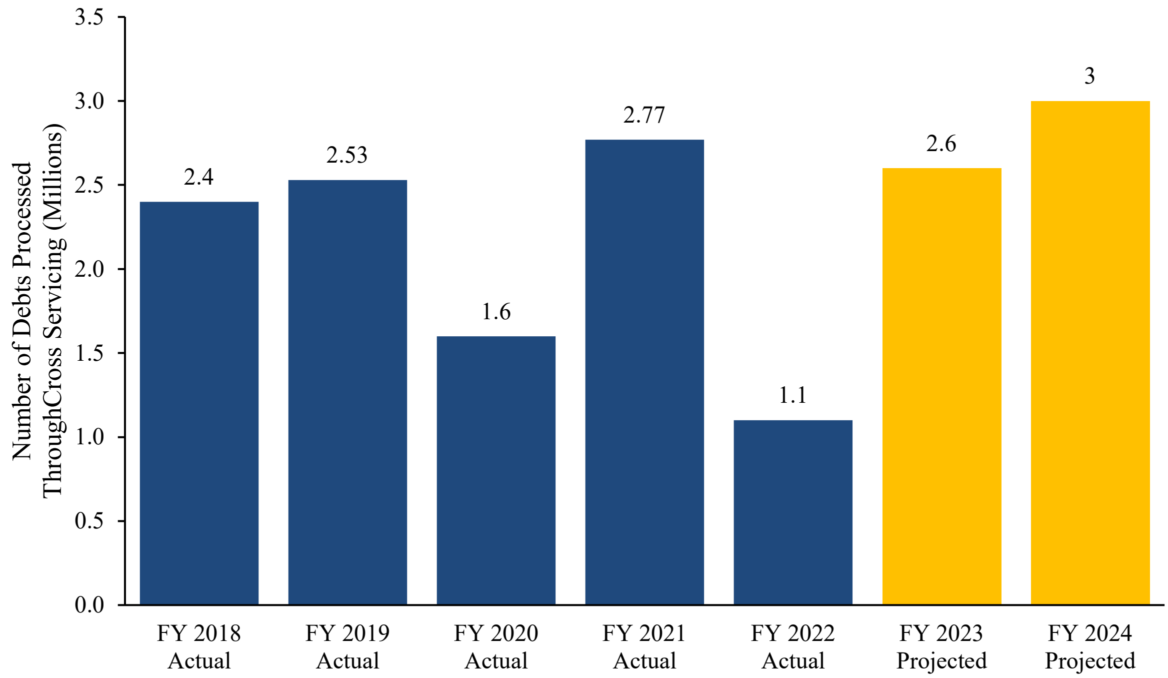
Cross-Servicing is when delinquent non-tax debts (e.g., loans and administrative debts such as overpayments, fines, fees, etc.) are referred to Fiscal Service by federal agencies for collection. These non-tax debts are collected in several ways, including offsetting federal disbursements, sending demand letters to debtors, entering into payment agreements, withholding non-federal wages administratively, referring debts to the Department of Justice for litigation, reporting credit to bureaus, and referring to private collection agencies. In FY 2022, Fiscal Service collected $356.2 million through the Cross-Servicing program.

Description of Performance:
In FY 2022, Fiscal Service collected a total of $5.52 billion in delinquent debt, a slight increase from the prior year as some agencies began to resume debt collection activities after being suspended in response to economic concerns related to the pandemic. In FY 2023 and FY 2024, Fiscal Service anticipates continued constraints will continue to negatively impact debt collections.

Debts Processed Through TOP (Millions)



Debts Processed Through Cross Servicing (Millions)



The amount of delinquent debt collected as a percentage of all delinquent debt referred during the fiscal year increased from 15.9 percent in FY 2021 to 16.58 percent in FY 2022. This increase is also attributed to the debt collection suspensions ending. However, overall debt collection activities are still below historical levels. The percentage of the active delinquent debt portfolio collected during the fiscal year did not meet the target in FY 2022, as 6.26 percent of the active delinquent debt portfolio was collected compared with the 6.7 percent target. Fiscal Service recently completed an independent review of its debt collection programs to assess its cost structure and provide recommendations on more sustainable models capable of evolving with future government needs. This review generated recommendations around fee setting, workforce optimization, business process improvements, data segmentation and analytics, and other strategies that the Bureau is assessing and implementing to ensure the long-term sustainability of these programs.

C – Changes in Performance Measures

Performance Measure or Indicator	Proposed Change and Justification
1. Number of High Value Analytics Use Cases Deployed [New]	This is a new measure that projects the number of high value analytics use cases deployed as part of the Accounting and Reporting budget activity and in support of Treasury's Better Use of Data objective.
2. Percentage of Collection Transactions Initiated Electronically [New]	Fiscal Service will transition its collections performance measure to focus on how government receipts are initiated instead of settled. Significant progress has been made on collections settlement and this focus on receipt initiation will better capture the customer's utilization of electronic collection methods and quantify Fiscal Service's ability to provide the American public with more modern and efficient options to pay the government.
3. Percentage of Total Federal Government Receipts Settled Electronically [Discontinue]	
4. Amount of Delinquent Debt Collected Through All Available Tools ($Billions) [Discontinue]	This amount of delinquent debt collected measure is being discontinued and will be reported in this Congressional Justification as a statistic.
5. Percentage of Payments Screened by Do Not Pay [New]	This is a new measure that monitors the percentage of payments that are screened by the Do Not Pay program as a percentage of payments disbursed by Fiscal Service.
6. Potential Improper Payments Identified, Stopped, or Recovered [New]	The new measure reflects the integration of Do Not Pay and the Payment Integrity Center of Excellence and tracks not only improper payments identified or stopped, but also improper payments which are recovered. The discontinued measures were focused on Do Not Pay only.
7. Count of Improper Payments Identified or Stopped [Discontinue]	
8. Dollar amount of Improper Payments Identified or Stopped [Discontinue]	

Section III – Additional Information

A - Summary of Capital Investments

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

A summary of capital investments, including major information technology and non-technology investments, can be accessed at:
https://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx.

Effective Investment Governance

Fiscal Service Governance focuses on overall progress in achieving the outcomes described in the Bureau's Strategic Plan, Future of Federal Financial Management Vision, and the Bureau's Enterprise IT and Security Strategic Plan. The bureau implemented a Solution Lifecycle Policy and related standards to ensure modern technology solutions and project lifecycle management best practices are employed throughout the lifecycle of all investments. IT governance and portfolio and project lifecycle results management is integrated into the bureau's enterprise governance process to ensure cost effectiveness and continuous delivery of business value and results throughout the lifecycle of investments. This includes active monitoring of investment strategy, plans, cost, schedule, risk, and performance trends and briefing the Enterprise Steering Board of portfolio risk monthly. The bureau fully operationalized a "ChatStat" process where investments or projects are formally reviewed to address performance negative trends or concerns and identify course-correction actions that are formally tracked in Get-to-Green plans and monitored by Senior leadership monthly until resolved. The bureau continues to evaluate and mature portfolio and investment governance capabilities through an annual bureau-wide FITARA assessment and corrective action or maturity planning.

Effective Project Execution

Fiscal Service is implementing a more robust, disciplined, and consistent approach to program and project management (PM) rooted in industry standard best practices and supported by a bureau-wide Program Management Improvement Accountability Act (PMIAA) framework, Solutions Lifecycle Policy, and Project Performance and Accountability Standard. The PMIAA framework provides the necessary transparency of project performance through established metrics related to risk, cost, schedule, scope, quality, and efficiency through a monthly executive level dashboard. PMIAA is being rolled out in a phased approach with all investments expected onboard to report plans and progress performance monthly in a centralized reporting tool by the 2nd quarter of Fiscal Year 2024. The systems and solutions that support each investment are required to use iterative development techniques for enhancements and new development, in accordance with the bureau's Solutions Lifecycle Policy. Through this process, project-based reporting is used to align projects from governance through execution and thus improve the bureau's ability to monitor performance and shape IT strategy.

Enterprise Architecture Services
Enterprise Architecture (EA) services ensure that Fiscal Service applies a common framework, using consistency and standardization practices, to describe and analyze investments which enables the bureau to proactively plan for changes, according to business vision and technology trends. Fiscal Service's EA program is designed to facilitate cross-agency analysis of capabilities, knowledge, processes, and relationships to apply evidence-based techniques, identify duplicative investments, discover goals and opportunities for collaboration with other agencies, and establish a line-of-sight from the highest-level strategic goals to the infrastructure that enables the achievement of those goals. The value provided by the bureau's EA services is demonstrated through the development of a Fiscal Service technology roadmap, which is leveraged in tandem with IT Portfolio rationalization and investment and cost optimization efforts to continuously transform methods of IT service and product delivery. Service Brokers ensure this transformation is designed and implemented in a standardized manner while also aligned with customer expectations by engaging with stakeholders ahead of their modernization needs.

Enterprise Risk Management (ERM)
The nature of Fiscal Service's work requires effective enterprise risk management and high levels of performance to ensure the bureau maintains operational excellence while seeking innovative solutions to improve efficiencies and transform financial management and the delivery of shared services in the federal government. To this end, Fiscal Service has established an Enterprise Risk Management (ERM) function within the Office of the Chief Financial Officer to promote a common understanding and approach to risk management and strengthen organizational capabilities to recognize, assess, and address risks that could disrupt the successful achievement of strategic goals and objectives. Fiscal Service has also established a Bureau Risk Committee to provide executive-level accountability for identifying, managing, and monitoring enterprise risk for the bureau, making timely and collaborative risk decisions, providing transparency around enterprise risks, and enabling a risk-aware culture. In collaboration with the Executive Board/Risk Committee, the ERM team has developed the Fiscal Service Risk Appetite Statement to guide the bureau's strategic analysis of risk. Moreover, through the development and issuance of an ERM framework, policies, guidance, and tools, the bureau incorporates risk management practices in decision-making processes such as strategic and tactical planning, workforce planning, capital investment planning, objective prioritization, and budget formulation. Fiscal Service continues to communicate the importance of effective risk management to all employees.

Cybersecurity
Fiscal Service has a multi-faceted mission that promotes financial integrity and operational efficiency across the federal government. As such, protecting the information and technology resources that support the bureau's mission with more modern solutions that will support security, resiliency, and agility are critically important. Fiscal Service is responsible for 62 Federal Information Security Modernization Act of 2014 (FISMA) systems with billions of Personally Identifiable Information (PII) records, including multiple High Value Assets (HVAs)

that support the Financial Services Sector of the Critical Infrastructure of the federal government. Fiscal Service invests in strengthening the cyber defenses of HVAs and other systems against the increasing volume, sophistication, frequency, impact, and brazenness of global cybersecurity threats. These investments are critical to maintain confidence in the financial ecosystem of the United States and avoid the immeasurable reputational damage Treasury would suffer in the event of a significant data breach or cybersecurity incident. Financial integrity and operational efficiency are accomplished by effective, coordinated management of security risks and incidents that ensure the confidentiality, integrity, and availability of the bureau’s systems are maintained. Fiscal Service’s implementation of Zero Trust Architecture (ZTA) and the associated controls is currently in progress. The bureau’s ZTA strategy complements and strengthens the current defense-in-depth strategy and approach to identify, protect against, detect, and respond to anomalies in the bureau’s network and systems. In addition, Enterprise Cybersecurity ensures Fiscal Service information technology resources are compliant with the National Institute of Standards and Technology security standards and satisfies annual security audit requirements. In 2023 and beyond, Fiscal Service is accelerating efforts that will enhance cybersecurity and support cyber resiliency, including implementing the provisions of Executive Order 14028, *Improving the Nation’s Cybersecurity*, and addressing the zero trust security requirements in OMB Memorandum M-22-09.