BUREAU OF THE FISCAL SERVICE
FY 2026 LAPSE PLAN

Lapse Plan Summary Overview	
Estimated time (to nearest half day) required to complete shutdown activities:	*0.5 days*
Total number of agency employees expected to be on board before implementation of the plan:	2,018
Total number of agency employees expected to be furloughed under the plan (unduplicated count)	193
Total number of employees to be retained under the plan for each of the following categories:	
Compensation is financed by a resource other than annual appropriations:	1794
Necessary to perform activities expressly authorized by law:	*0*
Necessary to perform activities necessarily implied by law:	31
Necessary to the discharge of the President's constitutional duties and powers:	*0*
Necessary to protect life and property:	0
Brief summary of significant agency activities that will continue during a lapse:	
Fiscal Service continues to support activities during a lapse in appropriation when sources of funding exist that have not lapsed. These include but are not limited to some disbursements (including Social Security payments and tax refunds), some accounting and collections activities, Shared Services, Debt Collection, Treasury's borrowing, debt servicing and forecasting responsibilities, and limited reporting activities necessary to support excepted functions.	
Brief summary of significant agency activities that will cease during a lapse:	
Fiscal Service discontinues activities during a lapse in appropriation when sources of funding have lapsed or when they do not meet the exceptions under the Anti-deficiency Act. These include some of the following: government-wide accounting and reporting, payment disbursements, and revenue collection activities, as well as policy and administrative, operational and customer integration support activities.	

1. GENERAL

The Bureau of the Fiscal Service (Fiscal Service) is required by the Department of the Treasury to have a lapse plan in the event of a lapse in appropriations. In accordance with the Office of Management and Budget (OMB) and Office of Personnel Management (OPM) guidance, the lapse plan allows for the following:

- continued operation of (1) functions paid for by funding that has not lapsed, as well as (2) functions designated as “excepted.”
- an orderly shutdown of specific activities and release of non-excepted employees associated with non-excepted activities. (We estimate that four hours will be needed for the immediate shutdown of operations.)

The foundation of the Fiscal Service lapse plan is communication. Fiscal Service employees at all levels should know:

- when a shutdown of non-excepted operations is imminent and why
- what activities will be shut down
- their excepted, non-excepted, or exempt status
- their rights as a furloughed employee; and
- how they will be notified to return to work.

Communication of shutdown procedures and diligent dissemination of shutdown information to all Fiscal Service employees are the cornerstones to an orderly shutdown of operations.

During a lapse in appropriation, regardless of the length of time, Fiscal Service will continue to provide resources necessary to support legally authorized disbursements, including Social Security payments and tax refunds, and maintain certain other accounting and collections activities.

Fiscal Service will also continue Shared Services and Debt Collection Program activities. Fiscal Service’s Shared Services activities are funded by the Treasury Franchise Fund to which customers pay for services received, while Debt Collection Program activities are funded through fee revenues and other reimbursable funding sources; thus, both programs are funded by appropriations that have not lapsed.

In addition, in the event of a lapse in Fiscal Service’s annual appropriation, an indefinite appropriation is made available under 31 U.S.C 3129 to fund those Fiscal Service activities and associated expenses related to Treasury’s borrowing, debt servicing and forecasting responsibilities. Thus, those functions will also continue.

2. ASSUMPTIONS

A. Official notification for shutdown of operations will occur on, or before, the 1st workday after the effective date of the shutdown, prompting a rapid transition from shutdown preparation phase to shutdown implementation.

B. Official furlough notification will be given to non-excepted employees and is effective on the 1st workday after the effective date of the shutdown.

3. REFERENCES

A. Anti-Deficiency Act, 31 U.S.C. 1341 and 1342
B. Balanced Budget and Emergency Deficit Control Act of 1985, Section 252
C. Budget Enforcement Act of 1990
D. Department of Justice opinion dated August 16, 1995
E. OMB Bulletin 80-14 (dated August 28, 1980), Supplement 1
F. OMB Circular A-11, Section 124
G. First and Second Liberty Bond Acts, 31 U.S.C. 3129
H. Debt Collection Statute, 31 U.S.C. 3711(g)(7)
I. OMB Memorandum M-13-22, dated September 17, 2013
J. Treasury Franchise Fund Statute, 31 U.S.C. 322 note

SECTION I – SHUTDOWN PREPARATION

A. Bureau Contacts: Chief Financial Officer, Human Capital Officer, Acting Deputy Chief Financial Officer & Chief Risk Officer; Acting Chief Procurement Officer, and Chief Administrative Officer.

B. Current List of Functions
   1. Disbursements – Legally authorized disbursements will be made, including social security payments and tax refunds.
   2. Government-wide Accounting – Activities will continue that are exempt as they are funded by appropriations that have not lapsed, as well as certain excepted activities as necessary.
   3. Retail and Wholesale Securities Services – An alternate appropriation is available to fund expenses related to Treasury's borrowing responsibilities when there is a lapse in Fiscal Service's annual appropriation.
   4. Collections – many collection functions are funded by an appropriation that has not lapsed. Some activities may be suspended as necessary.
   5. Summary Debt Accounting and Government Agency Investment Services – these activities will continue to the extent necessary to support Treasury's borrowing responsibilities; thus, the alternate appropriation will fund the continued services.
   6. Debt Collection – those activities that are funded through appropriations that have not lapsed, such as fee revenues, will continue.
   7. Shared Services – the Administrative Resource Center and a portion of Information and Security Services provide services to paying customers through the Treasury Franchise Fund. Because this funding source has not lapsed, shared services will continue.

C. Employee Notification Procedures – Human Capital Division
   1. Develops steps to be used to advise employees of the potential shutdown of operations and their excepted, non-excepted or exempt status in advance of official shutdown notification.
   2. Notifies employees, including issuing furlough letters and information on health/life insurance coverage. Answers employee questions concerning pay, leave, benefits and time in service.
   3. Coordinates with the National Treasury Employees Union (NTEU), to the extent required by law, to ensure labor-management partnership during shutdown planning and implementation.
   4. Develops employee notification procedures for employees in travel/training status when shutdown notification is given.
   5. Prepares return to work procedures to recall all furloughed employees to duty.

D. Procurement and Budget Areas
   1. Identifies contracts for award using no-year, multi-year, advance appropriations, etc., for continuation of award of contracts.
   2. Identifies contracts that will continue and develops an action plan for such continuation.
   3. Notifies all contractors regarding the actions to be taken in the event of a funding lapse and/or contingency. Once authorized, notifications will be issued to contractors via e-mail.
   4. Processes actions for no-year projects based on management prioritization.
   5. Posts continued contracts to the intranet and directs Contracting Officer's Representatives (CORs) to the listing.
   6. Contacts CORs via e-mail who will then notify affected program staff about potential and actual impacts to their contract performance.
   7. Managers inform employees that no new contracts funded by annual appropriations are to be entered into and that no purchase orders are to be issued.
   8. In accordance with the Federal Acquisition Regulations, contracting officers issue stop work orders or notices to proceed, as appropriate, to contractors.

E. Customer Notification
   1. All program areas notify their respective customers in writing of their plans for operations during a shutdown.
   2. Customers will be provided with primary and alternate points of contact to ensure, at a minimum, an avenue of communication is provided.

SECTION II – SHUTDOWN IMPLEMENTATION

A. Employee Notification
   1. All Fiscal Service employees will be provided written notification of the possibility of a shutdown.
   2. Based on determinations made by the Commissioner, Deputy

Commissioners, and Assistant Commissioners, Fiscal Service will provide three letters: one letter to employees designated as Exempt, one letter to employees designated as Non-Excepted, and one letter to employees designated as Excepted. Letters will be distributed through the Assistant Commissioners' offices to ensure all employees receive the appropriate notices in a timely fashion. Additional letters will be sent, if necessary, to address changes in status.

B. Chronological Order of Actions
   1. Executives will meet to review plans including procedures for notification of furlough for non-excepted employees.
   2. Notice to NTEU, to the extent required by law, on the status of the shutdown and possible actions. The Office of Workforce and Administrative Services will serve as the focal point for communications with NTEU.
   3. Employee Letter issued to workforce on the status of shutdown and possible actions.
   4. All employees notified of position status – excepted, non-excepted, and exempt – as well as plans and requirements.
   5. Furlough Questions and Answers communication issued to workforce.
   6. Each Assistant Commissioner will ensure previously identified employees are aware of their designated status for Fiscal Service to comply with shutdown requirements.
   7. Assistant Commissioners will provide the Human Capital Division with a list of employees on travel, training, and extended leave status.
   8. Assistant Commissioners will evaluate project priorities and make changes, if necessary, based on reduced staffs operating under the lapse in appropriations.
   9. All employees must report for duty on the first workday of shutdown. For employees not designated as exempt, no paid leave will be granted; alternate work schedule days may be cancelled, if necessary; and employees on detail generally will be required to report to their Fiscal Service home office.

C. Non-excepted staff will be engaged in activities incidental to shutting down their respective operations, securing their workstations, and duties necessary to assuring the rapid restart of operations when funding is renewed.
   1. If an appropriation bill has not been approved, non-excepted staff will be given furlough notices and dismissed until funding is approved by Congress.
   2. Each workday after the shutdown is implemented, non-excepted employees continue to monitor local news media reports and call the Fiscal Service Emergency Notification phone number. Fiscal Service may also use the Automated Call Tree Notification System to notify employees. Non-excepted employees must report to duty upon receipt of notification from Fiscal Service.

D. Guard Force/Building Security. Guard force at all Fiscal Service facilities will operate on a normal schedule.

SECTION III – REACTIVATION OF FUNCTIONS

A. The Department will notify Fiscal Service that an appropriation bill has been enacted and authorize the reestablishment of all operations/functions that were curtailed during the period of lapsed funding.

B. Upon receipt of notification concerning the enactment of an approved budget for FY 2026 or a new Continuing Resolution, employees will return to work at the start of their next scheduled workday or be in a leave status.

C. Employees will report to their immediate supervisor for accountability and for guidance concerning the restart of operations.