



# Progress Statement 2022

The Future of Federal Financial Management





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## Americans expect that their government:

- *is an efficient steward of its financial resources;*
- *provides financial information that is accurate; and*
- *offers financial interactions that are modern, seamless, inclusive, and secure.*

To learn more about the Future of Federal Financial Management Vision, visit [fmvision.fiscal.treasury.gov](https://fmvision.fiscal.treasury.gov).

# Message from the Commissioner

February 2023



*Bureau of the Fiscal Service  
Commissioner Tim Gribben*

It has been nearly five years since the Bureau of the Fiscal Service released the white paper, “The Future of Federal Financial Management,” where we articulated our vision (known as the FM vision) that financial services are more efficient, more accurate, and deliver a better customer experience to the American public. To achieve this vision, we need a holistic understanding of our customers (both agencies and citizens) and what motivates them and provides them value. For citizens, we want to provide an experience that is modern, seamless, inclusive, and secure. For agencies, we want to deliver services that enable agency chief financial officers (CFOs) to refocus their attention from financial transaction processing to program performance measurement and reporting.

I’m pleased to report we are well on the way toward a fully electronic federal payments process. Today, almost 97 percent of Fiscal’s payments are electronic as we leverage direct deposit, debit cards, and other digital options to replace inefficient, costly, and more fraud-prone paper checks. We are also eliminating paper at the front of the process; 19 of the 24 CFO Act agencies use electronic invoicing. We are making payments more accurate; screening nearly \$3 trillion worth of Treasury-disbursed payments against payment integrity data in FY 2022.

We continue to transform how citizens and businesses can pay the federal government. Customers can now use modern e-commerce solutions to make payments to 82 federal programs, such as national park admission fees or Department of State passport fees. We continue to reduce our lockbox footprint and are collaborating with agencies to help modernize processes to adopt more electronic options. Streamlining these processes benefits both of us and will drive savings government-wide while improving the public’s experience.

We are providing more accurate and accessible federal financial data to the public. Each month, hundreds of thousands of Americans depend on [USAspending.gov](https://www.usaspending.gov) to gain insight into the government’s finances. Over 39 data sets from Fiscal’s detailed financial reports and “Your Guide to America’s Finances” are now available online at [FiscalData.Treasury.gov](https://FiscalData.Treasury.gov). Intragovernmental buy/sell differences—often an obstacle to a clean financial audit opinion—have been reduced by 50 percent over five years.

We are in this together and we can’t achieve this lofty vision on our own—we understand that agency adoption of common services depends largely on the value the services we provide. Fiscal has been at the forefront in establishing a marketplace so agencies can choose standards-based financial services from a trusted list of commercial and federal providers. Fiscal is also expanding its offerings of common financial services based on your agency’s needs. Since 2018, we have generated over \$605 million in cost avoidance through shared financial management systems. Today, we offer services such as electronic invoicing, centralized receivables, payment integrity, and digital collection options to meet your agency and the public’s needs.

This Progress Statement illuminates how far we’ve come toward realizing our FM Vision. In all cases, progress is the result of partnerships between federal agencies and Fiscal Service. I value those partnerships and look forward to continuing this important work together.

A handwritten signature in black ink that reads "Tim".



# What Does the Bureau of the Fiscal Service Do?

## **Collecting**

Provide citizens a variety of modern electronic options for paying federal taxes, charges, and fees. Minimize lockboxes and paper processing.

## **Disbursing**

Create a seamless end-to-end process that is all-electronic from the initiating transaction through settlement: more agile, efficient, and resilient.

## **Financing**

Meet the evolving financial needs of the U.S. government at the least cost over time by offering Treasury securities to investors through modern, secure, and reliable technology.

## **Reporting**

Provide federal agencies and the American public information that is accurate, accessible, and transparent. Streamline the federal reporting process to reduce agency reporting burden.

## **Servicing**

Provide customer-centric services and solutions to agencies that enable improved decision-making and high-performance through innovation, standardization, operational efficiency, and risk reduction.



# Fiscal Service's Strategic Plan FY 2022-2026

Fiscal Service's Strategic Plan serves as a guide for decision-making that establishes priorities aligned with the Department of the Treasury's four-year direction.

## Our Operations

Deliver modern and innovative financial management operations and services that are inclusive, efficient, sustainable, and secure.

### Business Transformation

Transform our businesses to generate new value and improve capabilities for our customers.

### Emerging Technology and Business Practices

Identify, incubate, and promote emerging technologies and business practices with the potential to transform the bureau and financial management capabilities.

### Operational Integrity

Improve security, resiliency, and controls of operations and services.

## Our Data

Increase the value, availability, and quality of our data for decision-making and insights.

### Data Quality and Transparency

Improve the quality, completeness, and availability of data that is consumable for insights.

### Data Analytics

Increase analytics practices and capabilities to support decision-making.



## **Our Customers**

Improve the customer experience throughout their journey with Fiscal Service.

### **Customer Experience Practices**

Create a customer-centric culture that incorporates customer needs and expectations into the design and provision of services to improve the customer experience.

### **Agency Engagement**

Engage with federal CFOs and the broader financial management community to understand what agencies need, and how we can best provide unified, seamless solutions to meet those needs.

### **Marketplace Solutions**

Provide the financial management community with access to innovative, proven, and standards-based solutions.

## **Our Workforce**

Recruit, retain, develop, and engage a diverse, high-performing workforce to meet our customers' needs.

### **Diversity, Equity, Inclusion, & Accessibility**

Foster a culture where bureau practices integrate the principles of diversity, equity, inclusion, and accessibility to attract, develop, and retain a diverse and inclusive workforce.

### **Workforce of the Future**

Identify and develop the skillsets required to meet the demands of tomorrow.

### **Workplace of the Future**

Transform our work routines, facilities, and infrastructure to adapt to mission and workforce needs.

# Delivering Financial Services to the American People

Every day, millions of people all over the world interact with the U.S. government. Whether paying taxes, receiving benefits, or accessing tools and information, each interaction shapes their opinion of the federal government. Fiscal Service is a trusted leader in the delivery of financial services to the public. Fiscal understands the needs of our customers and works to improve their experience for each interaction with the bureau. In 2022,

- ▶ Nearly 81 million Social Security, Medicare, and veterans benefit payments were sent to recipients each month.
- ▶ Over three million businesses paid income taxes online through the Electronic Federal Tax Payment System.
- ▶ Roughly 89 million people paid fees and other non-tax revenue through [Pay.gov](https://www.pay.gov).
- ▶ Over 2.6 million people bought U.S. Savings Bonds. In total, roughly 27 million customers own a U.S. Savings Bond.
- ▶ Every day, over 57,000 people visited [TreasuryDirect.gov](https://www.treasurydirect.gov) for information on Treasury securities.
- ▶ 250+ federal agencies used Fiscal to make their payments; and
- ▶ 88 agencies used Fiscal for financial management, travel, and human resources shared services.





# Transforming Our Operations to Better Serve Our Customers

People are busy. They access money and financial tools and information on the go. Whether shopping, banking, or searching for information, consumers expect a mobile, real-time, and seamless interaction. They expect the same when dealing with the government.

At Fiscal, we are reimagining how we operate to meet and exceed customer expectations. We are integrating new technologies and increasing security and resiliency. We are consolidating similar programs to streamline the experience for the customer. We are also opening doors to reach the unbanked in an effort to offer our services to all who need them.



Almost 150 federal programs used Fiscal's mobile applications that allow Americans to pay federal taxes and fees with PayPal and Amazon Pay.



We're leveraging common authentication services so that when accessing Fiscal's applications, people are able to use the same identity credential they use when dealing with the IRS, Department of Veterans Affairs, and Social Security Administration.



When disbursing payments, Fiscal Service leverages the Direct Express® Card as an electronic alternative to pay Americans faster, more securely, and expand financial inclusion to un- and under-banked populations.



Fiscal began offering a marketplace of commercial and federal providers where federal agencies can shop for basic financial services and solutions (technology, advisory, and operational). This makes it easier for agencies to leverage common solutions for back-office operations and focus on their missions.



Over 172,000 commercial vendors have enrolled with the centralized e-invoicing portal which allows them to submit invoices and receive payment notifications for agencies across the federal government.



# FM Vision Goals

Fiscal Service sets clear goals to advance federal financial management into the future.

# 2022

## Servicing

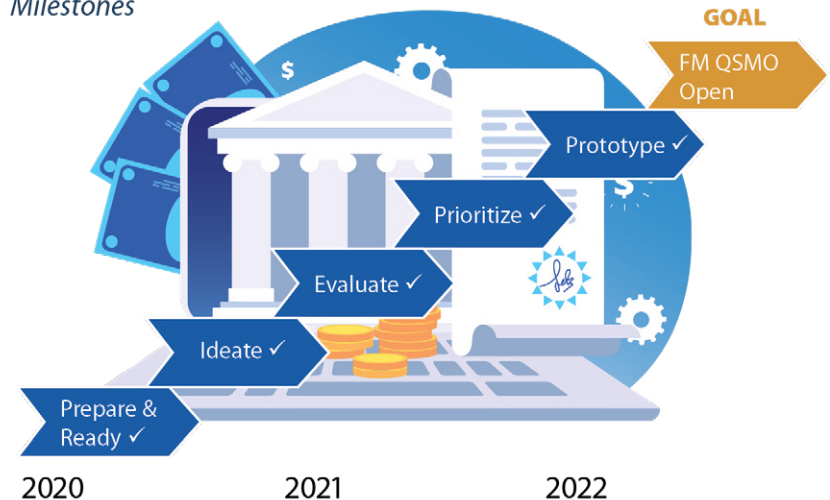
GOAL MET

### Financial Management (FM) Marketplace

Establish a marketplace of commercial and federal providers offering standards-based solutions.

#### Establishment of FM Marketplace

Milestones



In December 2022, Fiscal launched the FM Quality Service Management Office (QSMO) Marketplace. The FM Marketplace is an online “storefront” catalog of federal and commercial vendors offering standards-based financial management solutions and services for federal agencies. As the Marketplace grows, there will be increased choice and flexibility for agencies planning financial system modernizations, sustaining current operations, and/or fulfilling other financial management needs.

# 2023

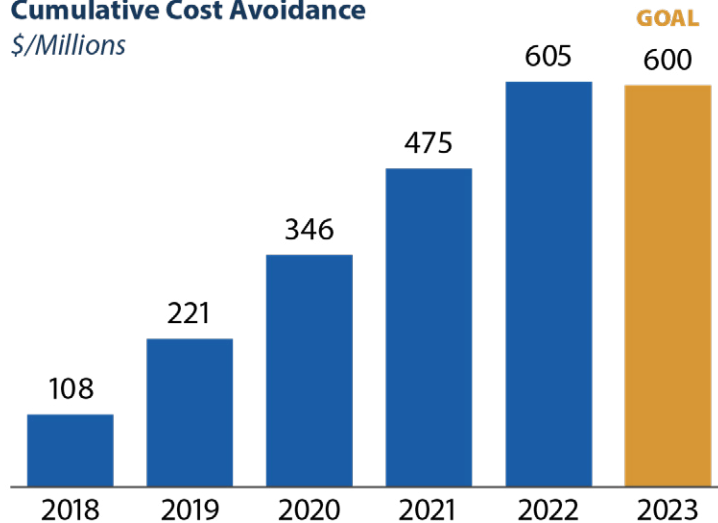


## Servicing

### Improve Federal Financial Management Efficiency

Through the use of shared financial management systems, generate more than \$600 million in cost avoidance by 2023.

**Cumulative Cost Avoidance**  
\$/Millions



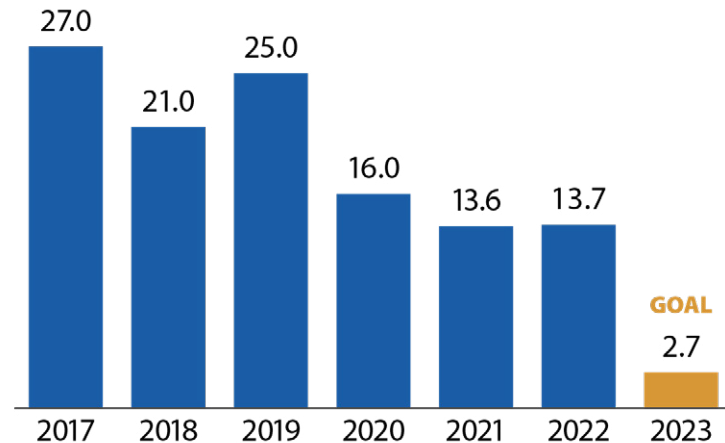
Fiscal Service's Administrative Resource Center (ARC) provides financial management, procurement, human resources, and travel services to more than 80 federal agencies. Since 2018, ARC has helped agencies avoid \$605 million through shared financial management systems.

## Reporting

### Strengthen Financial Accuracy

Reduce buy/sell intragovernmental differences by 90 percent by 2023.

**Reduction in Intragovernmental Buy/Sell Differences**  
\$/Billions



Reporting buy/sell transactions among agencies accurately is essential for the government's financial statement. Fiscal's government invoicing solution, called G-Invoicing, allows agency buyers and sellers to negotiate and accept terms, broker orders, exchange information, and validate settlement requests online. Using G-Invoicing creates transparency and reduces intragovernmental differences.

# 2024

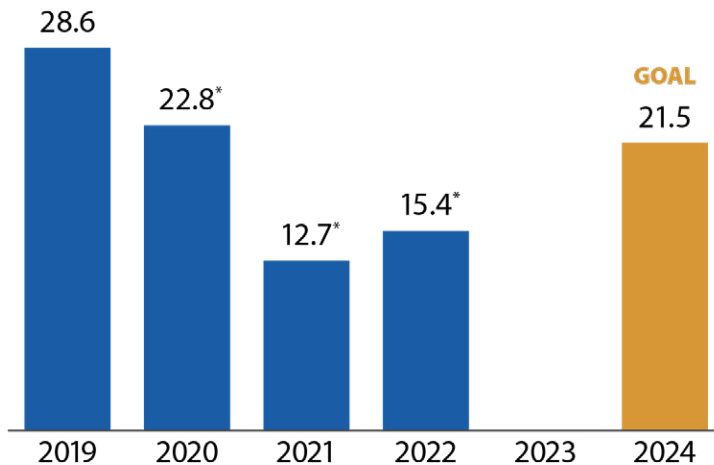
## Collecting

### Increase Digitization of Paper Collections

Reduce paper volume processed through the General Lockbox Network by 25 percent by 2024.

#### General Lockbox Transactions

Number of paper transactions/Millions



Treasury lockboxes collect and process checks and paper forms for federal government agencies. To improve efficiency, Fiscal Service consolidated lockbox operations and automated manual processes. Fiscal is now working with federal agencies to replace paper checks and forms with modern online options for people making payments to the government.

\* General Lockbox Network transaction volume decreased during the pandemic (FY 2020–FY 2022) because some agency billing obligations were suspended.

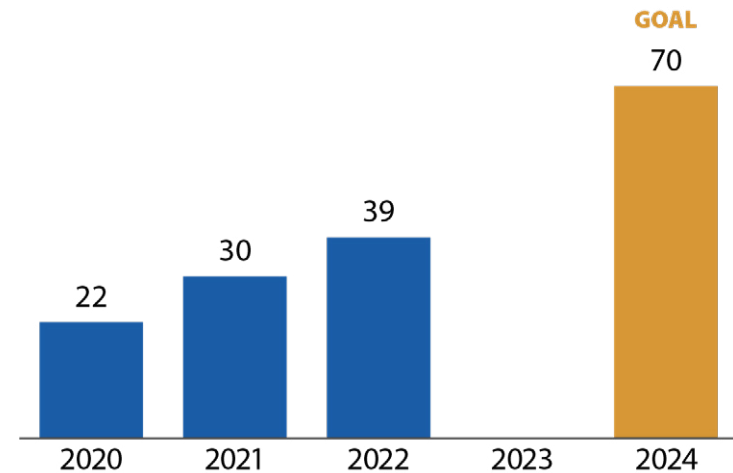
## Reporting

### Modern, Useful Data

Migrate 70 Fiscal Service datasets from legacy formats and locations to Treasury's Fiscal Data website by 2024.

#### Datasets Migrated

Cumulative number



Fiscal Service is ensuring data is available and accessible to the public at [FiscalData.treasury.gov](https://FiscalData.treasury.gov). Fiscal continues to make progress to migrate open datasets and has successfully onboarded 39 datasets and 82 data tables to the Fiscal Data website.

# 2025

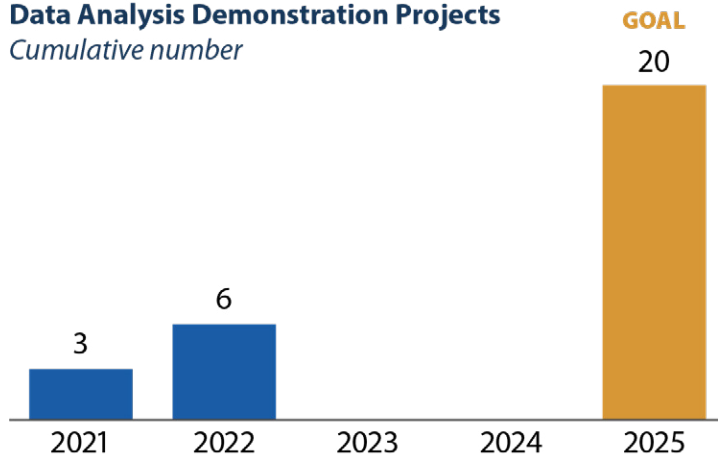
## Reporting

### Modern, Useful Data

Build and deploy enterprise data solutions that improve our performance, reduce costs, and deliver what the financial management community needs to advance data-driven decision-making by 2025.

#### Data Analysis Demonstration Projects

Cumulative number



*Fiscal Service continues to work on advanced data solutions including the demonstration of analytics user stories, natural language processing, and tabular models that can be used for anomaly detection. Fiscal promotes analytic and data capabilities in our communities of practice and data university.*

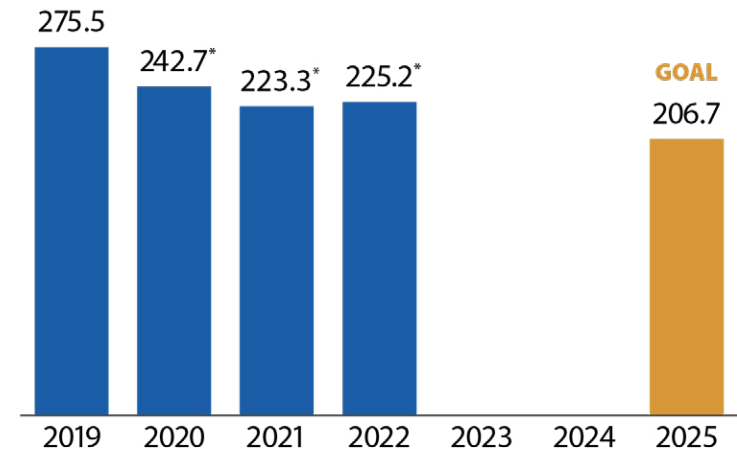
## Collecting

### Increase Digitization of Paper Collections

Convert 25 percent of Treasury General Account (TGA) Network transactions from cash and check bank deposits to electronic by 2025.

#### TGA Network Cash and Check Transactions

Number/Thousands



*The TGA Network provides banking services to federal agencies around the world, including deposits of cash and checks. Fiscal Service is converting paper processes to electronic solutions to better meet customer agency needs while maintaining operational stability.*

*\* TGA Network transaction volume decreased in FY 2020--FY 2022 due to fewer customer over-the-counter transactions during the pandemic.*

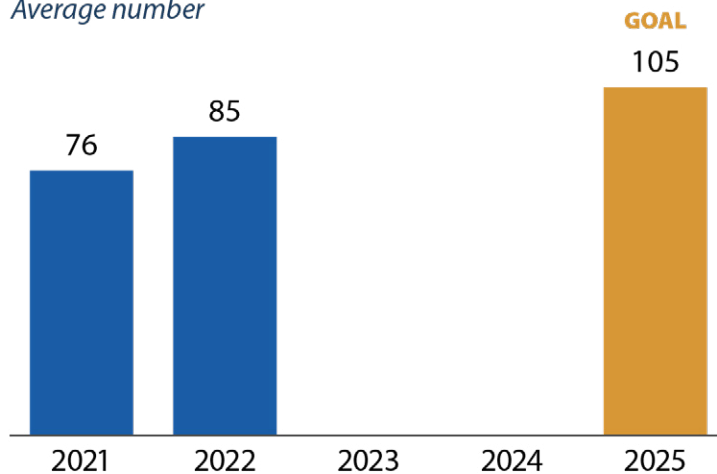
# 2025

## Collecting

### Promote E-Commerce Adoption

Increase agency adoption of e-commerce digital solutions across federal agencies by 12 percent by 2025.

**Federal Agencies Using E-Commerce Suite**  
Average number



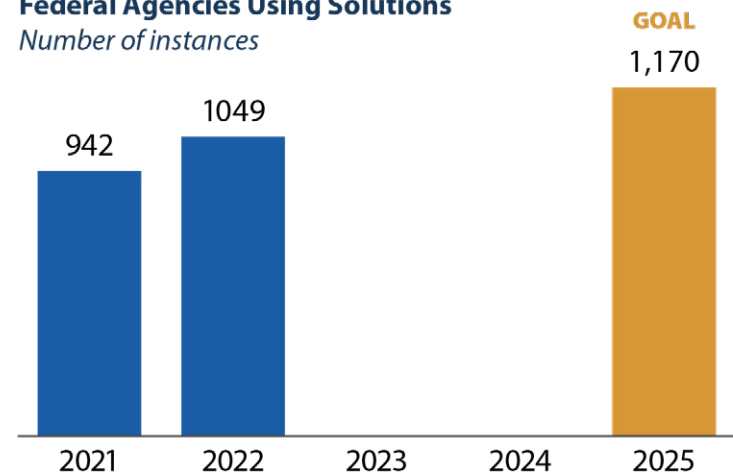
*Fiscal's e-commerce suite includes online bill payment, digital wallets, and mobile applications.*

## Servicing

### Expand Adoption of Services

Increase the number of agency subcomponents\* using common financial management solutions by 25 percent by 2025.

**Federal Agencies Using Solutions**  
Number of instances



*Fiscal Service provides common financial management solutions (e.g., centralized payments and receivables, debt collection services, payment integrity services, e-commerce, and e-invoicing) so that government agencies can focus on their missions.*

*\* A subcomponent is a subordinate organization within a larger federal agency (i.e., bureau within a department).*



# 2025

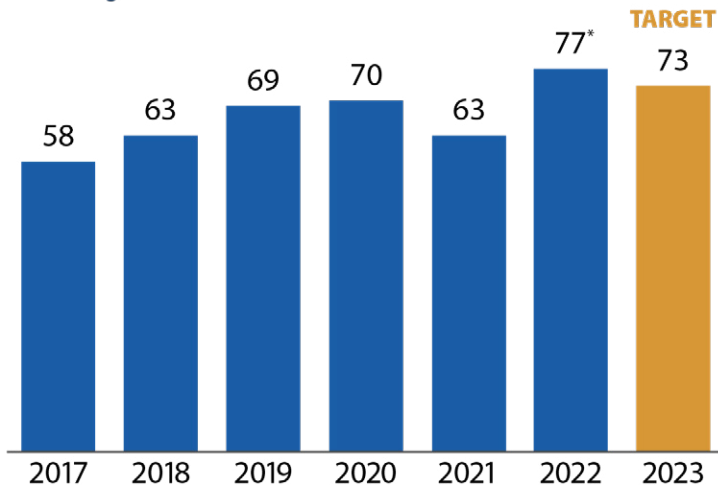
## Financing

### Modern Securities Experience

Improve the retail customer experience by enabling customers to purchase, manage, and redeem their Treasury security holdings through one platform by 2025.

#### Self-Service Retail Securities Transactions

Percentage of total transactions



Fiscal is making it easier for customers to purchase, reinvest, and manage their retail securities holdings at no cost, without the need of a broker or bank.

\*2022 results exceed the 2023 target largely due to an unprecedented volume of new accounts created and sales of Series I United States savings bonds.

# 2026

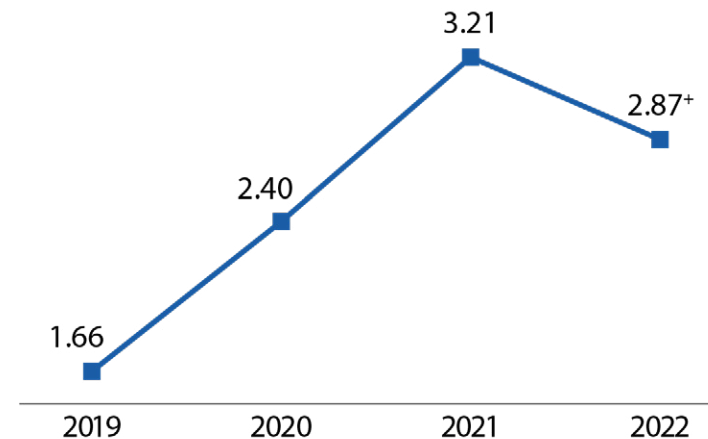
## Disbursing

### Preventing Improper Payments

Offer the capability to stop improper payments prior to disbursement in accordance with legal authorities by 2026.

#### Federal and State Payments Screened by Do Not Pay

Value/\$ Trillions



By using data, Fiscal can assess whether a federal payment may be fraudulent or incorrect before it is sent out. Working with other agencies, Fiscal is dedicated to solving federal payment integrity challenges by advancing the tools, services, and data available to identify, stop, and recover improper payments.

<sup>+</sup>The total volume of payments declined significantly from FY2021 to FY2022 due to the decline in pandemic related payments such as the Economic Impact Payments (EIP) and monthly Advance Child Tax Credit (CTC) payments.

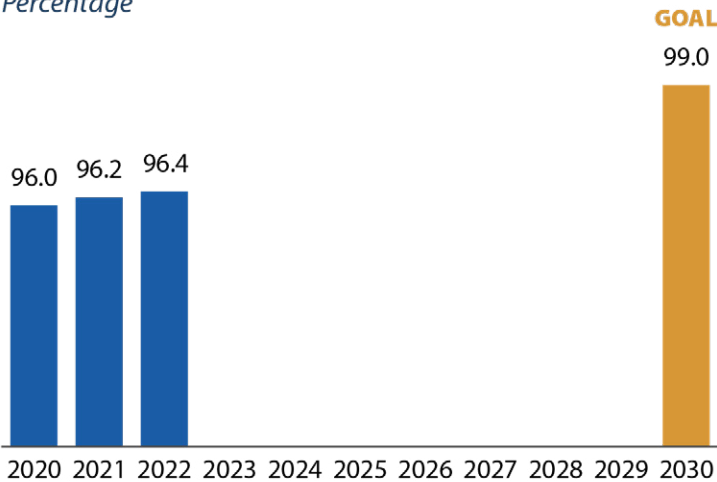
# 2030

## Disbursing

### Electronic Disbursing

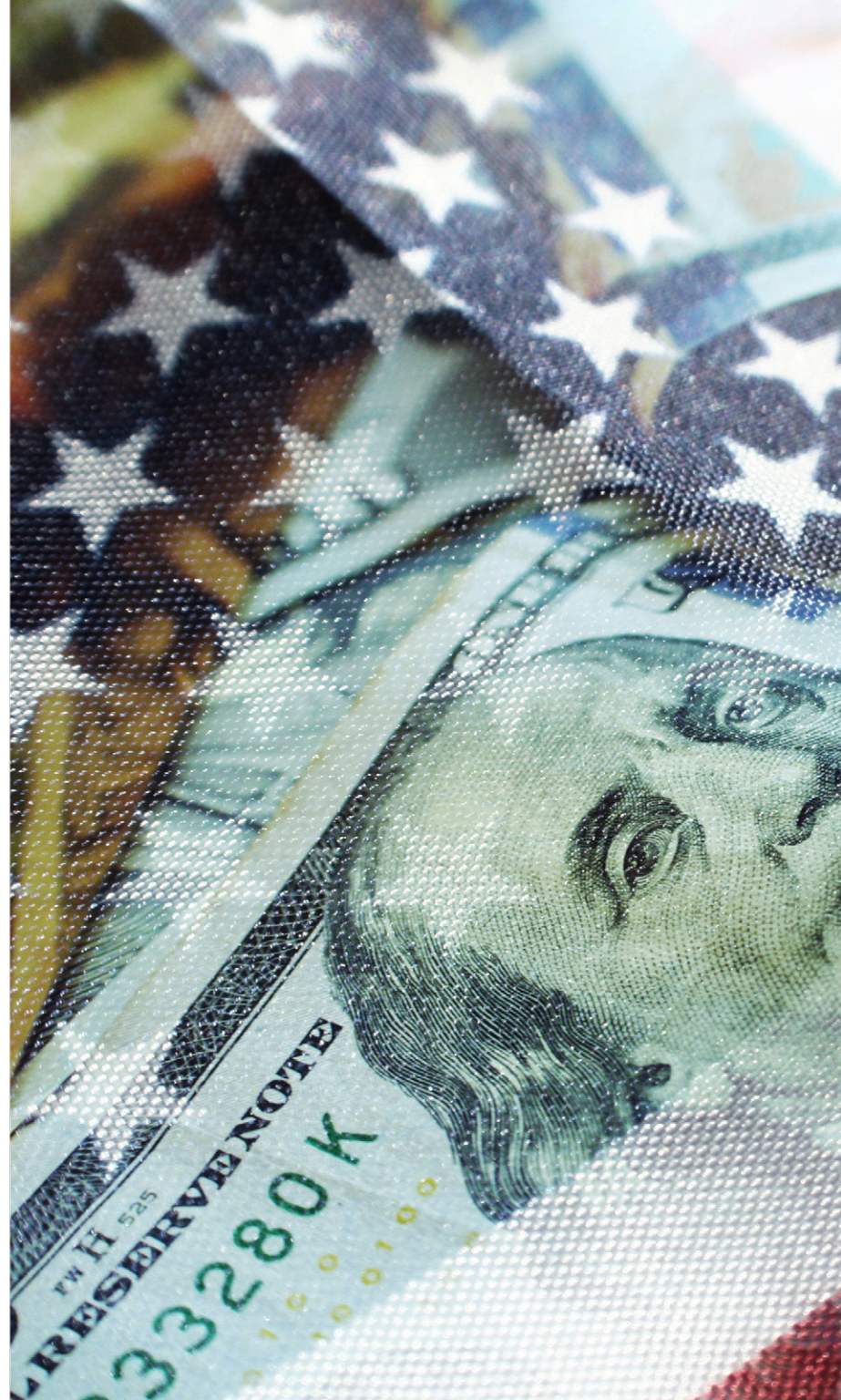
By leveraging innovative, alternative payment options, deliver 99 percent of eligible Treasury-disbursed payments electronically by 2030.

**Electronic Treasury-Disbursed Payments\***  
Percentage



*Electronic payments are faster, more secure, and less costly than paper checks. Fiscal will continue to deploy alternative methods of electronic payment, such as debit cards, Same Day ACH, and emerging real-time payment solutions to deliver Americans an improved, inclusive payment experience.*

*\* Does not include pandemic-related payments.*



# 2023 Financial Management Vision Goals at a Glance

## DISBURSING

### Preventing Improper Payments

Offer the capability to stop improper payments prior to disbursement in accordance with legal authorities by 2026.

### Electronic Disbursing

By leveraging innovative, alternative payment options, deliver 99 percent of eligible Treasury-disbursed payments electronically by 2030.

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## COLLECTING

### Increase Digitization of Paper Collections

Reduce paper volume processed through the General Lockbox Network by 25 percent by 2024.

Convert 25 percent of Treasury General Account Network transactions from cash and check bank deposits to electronic by 2025.

### Promote E-Commerce Adoption

Increase agency adoption of e-commerce digital solutions across federal agencies by 12 percent by 2025.

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## REPORTING

### Strengthen Financial Accuracy

Reduce buy/sell intragovernmental differences by 90 percent by 2023.

### Modern, Useful Data

Migrate 70 Fiscal Service datasets from legacy formats and locations to Treasury's Fiscal Data website by 2024.

Build and deploy enterprise data solutions that improve our performance, reduce costs, and deliver what the financial management community needs to advance data-driven decision-making by 2025.

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## SERVICING

### Expand Adoption of Services

Increase the number of agency subcomponents using common financial management solutions by 25 percent by 2025.

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## FINANCING

### Modern Securities Experience

Improve the retail customer experience by enabling customers to purchase, manage, and redeem their Treasury security holdings through one platform by 2025.



# Planning for the Future with Data and Evidence

With a strategic focus on making better use of data and evidence-based decision-making, Fiscal is making transformative changes to how we deliver our programs and services. Fiscal is breaking down organizational silos and building a collaborative structure that facilitates more modern, inclusive, seamless, and secure financial services to better serve our agency customers and meet the expectations of the American public.



## Improving Government Payments to Hard-to-Reach Populations

The Federal Deposit Insurance Corporation's (FDIC) 2021 survey estimates that 5.9 million American households are unbanked. Understanding why some American households are unbanked is necessary for developing strategies to improve the delivery of payments to hard-to-reach populations. The use of debit cards to make payments is one way for Fiscal to provide reliable and secure electronic payments to hard-to-reach populations.

Through the Direct Express® prepaid debit card, Fiscal is creating a payment experience that meets customer needs while reducing costs, expanding financial inclusion, and improving resiliency during extreme weather events. Approximately 3.6 million Direct Express® debit cardholders actively use their cards. Seventy percent of Direct Express® debit cardholders are unbanked, providing them with a critical entryway into the financial mainstream.



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THE TREASURY DEPARTMENT



ALBERT GALLATIN  
SECRETARY OF THE TREASURY  
— 1761 - 1849 —

