

# Internal Revenue Service – Private Debt Collection Program

## 3rd Quarter Update

**FY**  
**2022**

### PRIVATE DEBT COLLECTION PROGRAM

Program Revenue					
	FY 2020	FY 2021	June Fiscal Year Cumulative		
			FY 2021	FY 2022	% Change
Commissionable Payments	\$304,901,985	\$441,775,528	\$362,071,935	\$243,061,096	-33%
Non-Commissionable Payments	\$16,341,992	\$25,359,139	\$23,023,064	\$29,697,161	29%
Special Compliance Personnel Revenue	\$290,121,313	\$804,654,279	\$514,993,448	\$940,917,788	83%
<b>Total Revenue</b>	<b>\$611,365,290</b>	<b>\$1,271,788,947</b>	<b>\$900,088,447</b>	<b>\$1,213,676,045</b>	<b>35%</b>
Less: Retained Earnings	\$152,450,993	\$220,887,764	\$181,035,968	\$121,530,705	-33%
<b>Net Revenue to General Fund/Treasury</b>	<b>\$458,914,297</b>	<b>\$1,050,901,183</b>	<b>\$719,052,480</b>	<b>\$1,092,145,340</b>	<b>52%</b>

Commissionable and Non-Commissionable Payments are through June 16, 2022. SCP Revenue is through April 30, 2022.

Costs					
	FY 2020	FY 2021	June Fiscal Year Cumulative		
			FY 2021	FY 2022	% Change
PCA Commissions	\$60,259,178	\$87,141,262	\$71,438,004	\$40,913,440	-43%
<b>PDC Program Costs</b>					
Labor	\$21,521,664	\$26,822,627	\$20,837,197	\$19,190,043	-8%
Travel	\$180,669	\$12,440	\$4,767	\$1,546	-68%
Print & Postage	\$1,510,731	\$904,335	\$770,272	\$1,728,439	124%
Contracts	\$4,332,006	\$2,774,282	\$1,989,427	\$1,268,610	-36%
Background investigations	\$338,420	\$129,392	\$275,000	\$0	-100%
IT Equipment	\$67,740	\$0	\$0	\$0	0%
Adjustment to Expenses	\$0	\$613,236	\$439,290	\$291,345	100%
Indirect	\$16,095,621	\$15,779,751	\$12,258,523	\$12,227,895	0%
<b>Total Cost<sup>1</sup></b>	<b>\$104,306,029</b>	<b>\$134,177,325</b>	<b>\$108,012,480</b>	<b>\$75,621,318</b>	<b>-30%</b>

Commissions are through June 16, 2022 and all other costs are through June 30, 2022.

FY 2022 Fund Activity					
	Total	Cost of Services Fund	Special Compliance Personnel Program (SCPP)		
			Total	Program Admin	SCP
<b>FY 2021 Carryover</b>	<b>\$180,075,478</b>	<b>\$47,424,609</b>	<b>\$132,650,869</b>		
<b>Add: Retained Earnings Available</b>	<b>\$127,194,075</b>	<b>\$63,597,037</b>	<b>\$63,597,037</b>		
Retained Earnings	\$121,530,705	\$60,765,353	\$60,765,353		
FY 2021 Sequestration Returned	\$12,590,620	\$6,295,310	\$6,295,310		
FY 2022 Sequestration	(\$6,927,250)	(\$3,463,625)	(\$3,463,625)		
<b>Add: Recoveries of Unpaid Prior Year Obligations</b>	<b>\$348,718</b>	<b>\$57,374</b>	<b>\$291,345</b>		
<b>Less: FY 2022 Total Fund Expenditures</b>	<b>\$75,518,422</b>	<b>\$40,913,440</b>	<b>\$34,604,982</b>		
PCA Commissions	\$40,913,440	\$40,913,440			
Labor	\$19,087,147		\$19,087,147	\$4,578,327	\$14,508,820
Travel	\$1,546		\$1,546	\$1,546	\$0
Print & Postage	\$1,728,439		\$1,728,439	\$1,728,439	\$0
Contract	\$1,268,610		\$1,268,610	\$1,268,610	\$0
Background Investigations	\$0		\$0	\$0	\$0
IT Equipment	\$0		\$0	\$0	\$0
Reobligation of Recoveries	\$291,345		\$291,345	\$19,031	\$272,314
Indirect	\$12,227,895		\$12,227,895	\$2,948,741	\$9,279,155
<b>FY 2022 Carryforward</b>	<b>\$232,099,849</b>	<b>\$70,165,580</b>	<b>\$161,934,269</b>		

Commissions are through June 16, 2022 and all other costs are through June 30, 2022.

The cost of services fund recoveries of unpaid prior year obligations of \$57,374 are from the prior iteration of PDC.

**A. Tax Receivables**

**Tax Receivables**  
**FY 2022 through June 30, 2022**

PCA	Number of Entities	Amount
CBE	427,619	\$4,138,774,232
ConServe	427,139	\$4,128,885,685
Coast	362,798	\$3,580,637,432
<b>Total</b>	<b>1,217,556</b>	<b>\$11,848,297,348</b>

Source: SB/SE - PDC "FY 2022 New Scorecard Report"; Tax Receivables data is through June 16, 2022 .

**B. Amounts Collected**

**Dollars Collected**  
**FY 2022 through June 30, 2022**

PCA	Total	Commissionable Payments	Non-Commissionable Payments
CBE	\$124,634,548	\$113,028,919	\$11,605,629
ConServe	\$110,741,992	\$99,362,985	\$11,379,007
Coast	\$34,727,904	\$28,035,750	\$6,692,154
Performant	\$1,110,114	\$1,102,644	\$7,470
Pioneer	\$1,543,700	\$1,530,799	\$12,901
<b>Total</b>	<b>\$272,758,257</b>	<b>\$243,061,096</b>	<b>\$29,697,161</b>

Source: Chief Financial Officer (CFO), SB/SE - PDC "FY 2022 Non-Commissionable Payment Report"; Payments are through June 16, 2022.

**Installment Agreements Entered**  
**FY 2022 through June 30, 2022**

PCA	Number of Entities	Amount
CBE	15,695	\$145,756,263
ConServe	10,078	\$85,665,615
Coast	1,601	\$13,262,408
<b>Total</b>	<b>27,374</b>	<b>\$244,684,286</b>

Source: SB/SE - PDC "FY 2022 All PCAs Report;" Installment Agreements Entered data is through June 16, 2022.

**C. IRS Private Debt Collection Costs**

<b>IRS COLLECTION COST</b> <b>FY 2022 through June 30, 2022</b>	
<b>Expense<sup>1</sup></b>	<b>Total Amount</b>
<b>Commissions Paid<sup>2</sup></b>	<b>\$40,913,440</b>
<b>Labor</b>	<b>\$19,190,043</b>
Information Technology	\$394,986
Non-Information Technology	\$18,795,057
<b>Travel</b>	<b>\$1,546</b>
Information Technology	\$0
Non-Information Technology	\$1,546
<b>Print &amp; Postage</b>	<b>\$1,728,439</b>
Information Technology	\$0
Non-Information Technology	\$1,728,439
<b>Contract</b>	<b>\$1,268,610</b>
Information Technology	\$1,220,287
Non-Information Technology	\$48,323
<b>Background investigations</b>	<b>\$0</b>
Information Technology	\$0
Non-Information Technology	\$0
<b>IT Equipment</b>	<b>\$0</b>
Information Technology	\$0
Non-Information Technology	\$0
<b>Adjustment to Expenses</b>	<b>\$291,345</b>
Information Technology	\$0
Non-Information Technology	\$291,345
<b>Indirect Costs<sup>3</sup></b>	<b>\$12,227,895</b>
<b>Total Direct and Indirect Costs</b>	<b>\$75,621,318</b>

<sup>1</sup>Source: SB/SE Finance; Costs are through June 30, 2022 as they are incurred and will differ from the SF-133 (i.e. indirect costs).

<sup>2</sup>Source: Chief Financial Officer (CFO); Commissions Paid are through the reporting cycle ending June 16, 2021 and all other costs are through June 30, 2022.

<sup>3</sup>Indirect costs are ongoing expenses of operating an organization that cannot be immediately associated with the activity or program. Overhead rate is 63.72% provided by CFO Cost Accounting. Indirect costs include overhead which is determined by applying the overhead rate to direct PDC costs.

**E. Fees Retained**

<b>FY 2022</b>
<b>COST OF SERVICES FUND</b>
<b>(June 30, 2022)</b>

<b>Description</b>	<b>Amount</b>
Fiscal Year 2021 Carryover	\$47,424,609
Retained Earnings <sup>1</sup>	\$60,765,353
FY 2021 Sequestration Returned <sup>2</sup>	\$6,295,310
FY 2022 Sequestration <sup>3</sup>	(\$3,463,625)
<b>Retained Earnings Available</b>	<b>\$111,021,647</b>
Recoveries of Unpaid Prior Year Obligations <sup>4</sup>	\$57,374
Fees Paid to PCAs <sup>1</sup>	(\$40,913,440)
<b>FY 2022 Carryforward</b>	<b>\$70,165,580</b>

<sup>1</sup>Source: Chief Financial Officer (CFO) through the reporting cycle ending June 30, 2022.

<sup>2</sup>Source: SB/SE Finance; Sequestered funds become available in future fiscal years.

<sup>3</sup>Sequestration is 5.7% of retained earnings.

<sup>4</sup>The cost of services fund recoveries of unpaid prior year obligations of \$57,374 are from the prior iteration of PDC.

<b>FY 2022</b>
<b>SPECIAL COMPLIANCE PERSONNEL PROGRAM (SCPP) FUND</b>
<b>(June 30, 2022)</b>

<b>Fees</b>	<b>Amount</b>
Fiscal Year 2021 Carryover	\$132,650,869
Retained Earnings <sup>1</sup>	\$60,765,353
FY 2021 Sequestration Returned <sup>2</sup>	\$6,295,310
FY 2022 Sequestration <sup>3</sup>	(\$3,463,625)
Recoveries of Unpaid Prior Year Obligations <sup>4</sup>	\$291,345
<b>Retained Earnings Available</b>	<b>\$196,539,251</b>
<b>Costs<sup>5</sup></b>	<b>Amount</b>
Special Compliance Personnel Program	\$24,060,289
Program Administration	\$10,544,693
<b>Total SCPP Fund Costs</b>	<b>\$34,604,982</b>
<b>FY 2022 Carryforward</b>	<b>\$161,934,269</b>

<sup>1</sup>Source: Chief Financial Officer (CFO) through the reporting cycle ending June 30, 2022.

<sup>2</sup>Source: SB/SE Finance; Sequestered funds become available in future fiscal years.

<sup>3</sup>Sequestration is 5.7% of retained earnings.

<sup>4</sup>The recoveries of unpaid prior year obligations are added included in the funds available.

<sup>5</sup>SB/SE Finance; Costs are through June 30, 2022 as they are incurred and will differ from the SF-133 (i.e. direct costs).