

Internal Revenue Service – Private Debt Collection Program
4th Quarter Update

FY
2020

PRIVATE DEBT COLLECTION PROGRAM

IRS Private Debt Collection - Revenue Collected Program Start date through September 17, 2020						
	Total	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Commissionable Payments ¹	\$580,583,025	\$304,901,985	\$194,944,443	\$75,372,679	\$5,363,918	
Non-Commissionable Payments ²	\$43,335,129	\$16,341,992	\$18,051,988	\$7,723,122	\$1,218,027	
Special Compliance Personnel Revenue ³	\$345,096,675	\$290,121,313	\$54,975,362	\$0	\$0	
Total Revenue	\$969,014,829	\$611,365,290	\$267,971,793	\$83,095,801	\$6,581,945	
Less: Retained Earnings ⁴	\$290,291,513	\$152,450,993	\$97,472,221	\$37,686,340	\$2,681,959	
Net Revenue to General Fund/Treasury	\$678,723,316	\$458,914,297	\$170,499,571	\$45,409,462	\$3,899,986	

¹Source: Chief Financial Officer (CFO); Commissionable payments are through the reporting cycle ending September 17, 2020.

²Source: SB/SE - PDC "FY 2020 Non-Commissionable Payment Report" through September 17, 2020. FY 2018 Non-Commissionable Payments were corrected due to a reporting issue in December 2019. The correction resulted in the non-commissionable amount increasing from \$6,820,047 to \$7,723,122.

³Source: Enforcement Revenue Information System (ERIS) through September 30, 2020.

⁴Fifty percent of commissionable payments (25% for Cost of Services, 25% for Special Compliance Personnel Program).

IRS Private Debt Collection - Costs Program Start date through September 17, 2020						
	Total	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
PCA Commissions ¹	\$114,885,004	\$60,259,178	\$38,635,173	\$14,921,708	\$1,068,944	
PDC Program Costs ²						
Labor	\$48,461,375	\$21,521,664	\$12,688,313	\$5,117,406	\$6,158,908	\$2,975,084
Travel	\$713,210	\$180,669	\$139,627	\$113,732	\$188,781	\$90,401
Print	\$1,582,782	\$1,510,731	\$33,288	\$24,617	\$14,147	\$0
Contracts	\$29,006,843	\$4,332,006	\$3,342,902	\$5,786,726	\$5,933,183	\$9,612,026
Background investigations	\$2,391,165	\$338,420	\$441,023	\$337,322	\$1,274,400	\$0
IT Equipment	\$67,740	\$67,740	\$0	\$0	\$0	\$0
Indirect Costs ³	\$38,939,064	\$16,095,621	\$10,006,049	\$4,832,192	\$5,397,782	\$2,607,420
Total Cost	\$236,047,183	\$104,306,029	\$65,286,376	\$31,133,702	\$20,036,145	\$15,284,931

¹Source: Chief Financial Officer (CFO); Commissions are through the reporting cycle ending September 17, 2020.

²Source: SB/SE Finance; PDC program costs are through September 30, 2020.

³Indirect costs are ongoing expenses of operating an organization that cannot be immediately associated with the activity or program. Overhead rate is 57.58% provided by CFO Cost Accounting. Indirect costs include overhead which is calculated by applying the overhead rate to direct PDC costs.

**Private Debt Collection Cost of Services Fund and Special Compliance Personnel Fund Activity
FY 2020 through September 17, 2020**

	Cost of Services Fund	Special Compliance Personnel Program (SCPP) Fund		
		Total	Program Admin	SCP
FY 2019 Carryover	\$11,272,797	\$37,753,624		
Retained Earnings Available	\$74,749,835	\$74,749,835		
Retained Earnings ¹	\$76,225,496	\$76,225,496		
FY 2019 Sequestered Returned ²	\$3,021,643	\$3,021,643		
FY 2020 Sequestration ²	(\$4,497,304)	(\$4,497,304)		
FY 2019 Total Fund Expenditures³	\$60,259,178	\$42,261,041		
PCA Commissions ⁴	\$60,259,178			
Labor		\$21,207,285	\$5,520,039	\$15,687,246
Travel		\$180,669	\$39,031	\$141,638
Print		\$39,300	\$39,300	\$0
Contract		\$4,332,006	\$4,332,006	\$0
Background Investigations		\$338,420	\$338,420	\$0
IT Equipment		\$67,740	\$0	\$67,740
Indirect Costs ⁵		\$16,095,621	\$6,899,924	\$9,195,697
FY 2020 Carryforward	\$25,763,453	\$70,242,418		

¹Fifty percent of commissionable payments (25% for Cost of Services, 25% for Special Compliance Personnel Program) through September 17, 2020.

²Source: SB/SE Finance; Sequestration is 5.9% of retained earnings. Sequestered funds become available in future years.

³Source: SB/SE Finance; Costs are through September 30, 2020, except commissions.

⁴Source: Chief Financial Officer (CFO); Commissions are through the reporting cycle ending September 17, 2020.

⁵Indirect costs are ongoing expenses of operating an organization that cannot be immediately associated with the activity or program. Overhead rate is 57.58% provided by CFO Cost Accounting. Indirect costs include overhead which is calculated by applying the overhead rate to direct PDC Expenses.

A. Tax Receivables

Tax Receivables
FY 2020 through September 17, 2020

PCA	Number of Entities	Amount
CBE	256,994	\$2,352,454,999
ConServe	256,800	\$2,350,554,674
Performant	256,405	\$2,361,479,335
Pioneer	256,442	\$2,347,101,467
Total	1,026,641	\$9,411,590,476

Source: SB/SE - PDC "FY 2020 All PCAs Report"

B. Amounts Collected

Dollars Collected
FY 2020 through September 17, 2020

PCA	Total	Commissionable Payments	Non-Commissionable Payments
CBE	\$76,053,343	\$72,116,737	\$3,936,606
ConServe	\$83,480,611	\$78,871,386	\$4,609,225
Performant	\$81,047,377	\$76,938,538	\$4,108,839
Pioneer	\$80,662,646	\$76,975,324	\$3,687,322
Total	\$321,243,977	\$304,901,985	\$16,341,992

Source: Chief Financial Officer (CFO), SB/SE - PDC "FY 2020 Non-Commissionable Payment Report"

Installment Agreements Entered
FY 2020 through September 17, 2020

PCA	Number of Entities	Amount
CBE	14,825	\$104,540,664
ConServe	12,497	\$78,183,016
Performant	11,999	\$78,836,932
Pioneer	11,400	\$74,143,486
Total	50,721	\$335,704,098

Source: SB/SE - PDC "FY 2020 All PCAs Report"

C. IRS Private Debt Collection Costs

IRS COLLECTION COST	
FY 2020 through September 17, 2020	
Expense¹	Total Amount
Commissions Paid²	\$60,259,178
Labor	\$21,521,664
Information Technology	\$285,495
Non-Information Technology	\$21,236,170
Travel	\$180,669
Non-Information Technology	\$180,669
Print	\$1,510,731
Non-Information Technology	\$1,510,731
Contract	\$4,332,006
Information Technology	\$2,242,692
Non-Information Technology	\$2,089,314
Background investigations	\$338,420
Non-Information Technology	\$338,420
IT Equipment	\$67,740
Information Technology	\$67,740
Indirect Costs³	\$16,095,621
Total Direct and Indirect Costs	\$104,306,029

¹Source: SB/SE Finance through September 30, 2020.

²Source: Chief Financial Officer (CFO); Commissions are through the reporting cycle ending September 17, 2020 and all other costs are through September 30, 2020.

³Indirect costs are ongoing expenses of operating an organization that cannot be immediately associated with the activity or program. Overhead rate is 57.58% provided by CFO Cost Accounting. Indirect costs include overhead which is determined by applying the overhead rate to direct PDC costs.

E. Fees Retained

COST OF SERVICES FUND

Description	Amount
Commissionable Payments ¹	\$304,901,985
Fiscal Year 2019 Carryover	\$11,272,797
Fiscal Year 2019 Sequestration Returned ²	\$3,021,643
Retained Earnings ³	\$76,225,496
Less: Sequestration ⁴	(\$4,497,304)
Retained Earnings Available	\$86,022,631
Fees Paid to PCAs ¹	(\$60,259,178)
FY 2020 Carryforward	\$25,763,453

¹Source: Chief Financial Officer (CFO) through the reporting cycle ending September 17, 2020.

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

³Twenty-five percent of commissionable payments through September 17, 2020.

⁴Sequestration is 5.9% of retained earnings.

SPECIAL COMPLIANCE PERSONNEL PROGRAM (SCPP) FUND

Fees	Amount
Fiscal Year 2019 Carryover	\$37,753,624
Fiscal Year 2019 Sequestration Returned ¹	\$3,021,643
Retained Earnings ²	\$76,225,496
Less: Sequestration ³	(\$4,497,304)
Retained Earnings Available	\$112,503,459
Costs ⁴	Amount
Special Compliance Personnel Program	\$25,092,321
Program Administration	\$17,168,720
Total SCPP Fund Costs	\$42,261,041
FY 2020 Carryforward	\$70,242,418

¹Source: SB/SE Finance; Sequestered funds become available in future fiscal years.

²Twenty-five percent of commissionable payments through September 17, 2020.

³Sequestration is 5.9% of retained earnings.

⁴SB/SE Finance; Costs are through September 30, 2020.