

Internal Revenue Service – Private Debt Collection Program
3rd Quarter Update

FY
2021

PRIVATE DEBT COLLECTION PROGRAM

Program Revenue					
	FY 2019	FY 2020	June Fiscal Year Cumulative		
			FY 2020	FY 2021	% Change
Commissionable Payments	\$194,944,443	\$304,901,985	\$240,226,765	\$362,071,935	51%
Non-Commissionable Payments	\$18,051,988	\$16,341,992	\$14,094,172	\$23,023,064	63%
Special Compliance Personnel Revenue	\$54,975,362	\$290,121,313	\$182,017,874	\$514,993,448	183%
Total Revenue	\$267,971,793	\$611,365,290	\$436,338,812	\$900,088,447	106%
Less: Retained Earnings	\$97,472,221	\$152,450,993	\$120,113,383	\$181,035,968	51%
Net Revenue to General Fund/Treasury	\$170,499,571	\$458,914,297	\$316,225,429	\$719,052,480	127%

Commissionable and Non-Commissionable Payments are through June 17, 2021. SCP Revenue is through June 30, 2021.

Costs					
	FY 2019	FY 2020	June Fiscal Year Cumulative		
			FY 2020	FY 2021	% Change
PCA Commissions	\$38,635,173	\$60,259,178	\$47,432,917	\$71,438,004	51%
PDC Program Costs					
Labor	\$12,688,313	\$21,521,664	\$10,285,408	\$20,837,197	103%
Travel	\$139,627	\$180,669	\$187,886	\$4,767	-97%
Print & Postage	\$33,288	\$1,510,731	\$37,510	\$770,272	1954%
Contracts	\$3,342,902	\$4,332,006	\$2,660,644	\$1,989,427	-25%
Background investigations	\$441,023	\$338,420	\$89,112	\$275,000	209%
IT Equipment	\$0	\$67,740	\$0	\$0	0%
Adjustment to Expenses	\$0	\$0	\$0	\$439,290	100%
Indirect	\$10,006,049	\$16,095,621	\$7,636,048	\$12,258,523	61%
Total Cost¹	\$65,286,376	\$104,306,029	\$68,329,524	\$108,012,480	58%

¹Commissions are through June 17, 2021 and all other costs are through June 30, 2021.

FY 2021 Fund Activity					
	Total	Cost of Services Fund	Special Compliance Personnel Program (SCPP)		
			Total	Program Admin	SCP
FY 2020 Carryover	\$96,005,871	\$25,763,453	\$70,242,418		
Retained Earnings Available	\$180,429,118	\$90,012,274	\$90,416,843		
Retained Earnings	\$181,036,222	\$90,518,111	\$90,518,111		
FY 2020 Sequestration Returned	\$8,994,620	\$4,497,310	\$4,497,310		
FY 2021 Sequestration	(\$10,319,065)	(\$5,159,532)	(\$5,159,532)		
Adjustment to Fund Balance	\$717,340	\$156,385	\$560,955		
FY 2021 Total Fund Expenditures	\$107,738,315	\$71,438,004	\$36,300,311		
PCA Commissions	\$71,438,004	\$71,438,004			
Labor	\$20,563,034		\$20,563,034	\$4,183,936	\$16,379,098
Travel	\$4,767		\$4,767	\$4,767	\$0
Print & Postage	\$770,272		\$770,272	\$770,272	\$0
Contract	\$1,989,425		\$1,989,425	\$1,989,425	\$0
Background Investigations	\$275,000		\$275,000	\$275,000	\$0
IT Equipment	\$0		\$0	\$0	\$0
Adjustment to Expenses	\$439,290		\$439,290	\$270,729	\$168,561
Indirect	\$12,258,523		\$12,258,523	\$2,501,338	\$9,757,185
FY 2021 Carryforward	\$168,696,673	\$44,337,723	\$124,358,950		

Commissions are through June 17, 2021 and all other costs are through June 30, 2021.

Adjustment to Fund Balance Available were related to prior year recoveries and unapportioned, unexpired accounts.

The cost of services fund adjustment includes \$156,211 from the prior iteration of PDC and is not subject to the FAST Act, December 4, 2015.

Adjustment to Expenses are comprised of re-obligated recoveries and top-side adjustments.

A. Tax Receivables

Tax Receivables
FY 2021 through June 30, 2021

PCA	Number of Entities	Amount
CBE	135,785	\$1,214,331,852
ConServe	134,338	\$1,203,988,925
Performant	133,912	\$1,200,776,943
Pioneer	134,516	\$1,191,878,739
Total	538,551	\$4,810,976,459

Source: SB/SE - PDC "FY 2021 All PCAs Report"; Tax Receivables data is through June 17, 2021.

B. Amounts Collected

Dollars Collected
FY 2021 through June 30, 2021

PCA	Total	Commissionable Payments	Non-Commissionable Payments
CBE	\$99,222,513	\$93,091,043	\$6,131,469
ConServe	\$94,022,725	\$88,043,809	\$5,978,917
Performant	\$95,625,420	\$90,229,982	\$5,395,439
Pioneer	\$96,224,341	\$90,707,101	\$5,517,240
Total	\$385,094,999	\$362,071,935	\$23,023,064

Source: Chief Financial Officer (CFO), SB/SE - PDC "FY 2021 Non-Commissionable Payment Report;" Payments are through June 17, 2021.

Installment Agreements Entered
FY 2021 through June 30, 2021

PCA	Number of Entities	Amount
CBE	14,724	\$111,865,460
ConServe	10,095	\$72,066,729
Performant	11,678	\$86,238,418
Pioneer	10,762	\$75,938,029
Total	47,259	\$346,108,636

Source: SB/SE - PDC "FY 2021 All PCAs Report;" Installment Agreements Entered data is through June 17, 2021.

C. IRS Private Debt Collection Costs

IRS COLLECTION COST	
FY 2021 through June 30, 2021	
Expense¹	Total Amount
Commissions Paid²	\$71,438,004
Labor	\$20,837,197
Information Technology	\$365,423
Non-Information Technology	\$20,471,774
Travel	\$4,767
Information Technology	\$1,961
Non-Information Technology	\$2,806
Print & Postage	\$770,272
Information Technology	\$0
Non-Information Technology	\$770,272
Contract	\$1,989,427
Information Technology	\$1,556,713
Non-Information Technology	\$432,714
Background investigations	\$275,000
Information Technology	\$0
Non-Information Technology	\$275,000
IT Equipment	\$0
Information Technology	\$0
Non-Information Technology	\$0
Adjustment to Expenses	\$439,290
Information Technology	\$0
Non-Information Technology	\$439,290
Indirect Costs³	\$12,258,523
Total Direct and Indirect Costs	\$108,012,480

¹Source: SB/SE Finance; Costs are through June 30, 2021 as they are incurred and will differ from the SF-133 (i.e. indirect costs).

²Source: Chief Financial Officer (CFO); Commissions Paid are through the reporting cycle ending June 17, 2021 and all other costs are through June 30, 2021.

³Indirect costs are ongoing expenses of operating an organization that cannot be immediately associated with the activity or program. Overhead rate is 58.83% 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
Fiscal Year 2020 Carryover	\$25,763,453
Retained Earnings ¹	\$90,518,111
FY 2020 Sequestration Returned ²	\$4,497,310
FY 2021 Sequestration ³	(\$5,159,532)
Adjustment to Fund Balance ⁴	\$156,385
Retained Earnings Available	\$115,775,727
Fees Paid to PCAs ¹	(\$71,438,004)
FY 2021 Carryforward	\$44,337,723

¹Source: Chief Financial Officer (CFO) through the reporting cycle ending June 17, 2021.

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

³Sequestration is 5.7% of retained earnings.

⁴The Adjustment to Fund Balance are to add prior year recoveries and unapportioned, unexpired accounts. The adjustment also includes \$156,211 from the prior iteration of PDC which is not subject to the FAST Act, December 4, 2015, IRC section 6306(e).

SPECIAL COMPLIANCE PERSONNEL PROGRAM (SCPP) FUND

Fees	Amount
Fiscal Year 2020 Carryover	\$70,242,418
Retained Earnings ¹	\$90,518,111
FY 2020 Sequestration Returned ²	\$4,497,310
FY 2021 Sequestration ³	(\$5,159,532)
Adjustment to Fund Balance ⁴	\$560,955
Retained Earnings Available	\$160,659,261
Costs ⁵	Amount
Special Compliance Personnel Program	\$26,304,844
Program Administration	\$9,995,467
Total SCPP Fund Costs⁶	\$36,300,311
FY 2021 Carryforward	\$124,358,950

¹Source: Chief Financial Officer (CFO) through the reporting cycle ending June 17, 2021.

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

³Sequestration is 5.7% of retained earnings.

⁴The Adjustment to Fund Balance is to add prior year recoveries and unapportioned, unexpired accounts.

⁵SB/SE Finance; Costs are through June 30, 2021.

⁶Source: SB/SE Finance; Costs are through June 30, 2021 as they are incurred and will differ from the SF-133 (i.e. indirect costs).