

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

FY
2019

PRIVATE DEBT COLLECTION PROGRAM

IRS PRIVATE DEBT COLLECTION PROGRAM BALANCE
Program start date through September 30, 2019

Category	Total Amount	FY 2019	FY 2018	FY 2017	FY 2016
Revenue (Collections)					
Commissionable Payments ¹	\$275,681,040	\$194,944,443	\$75,372,679	\$5,363,918	
Non-Commissionable Payments ¹	\$26,090,062	\$18,051,988	\$6,820,047	\$1,218,027	
Total Revenue	\$301,771,103	\$212,996,431	\$82,192,727	\$6,581,945	
Cost					
Commissions Paid ²	\$54,625,825	\$38,635,173	\$14,921,708	\$1,068,944	
Program Administration ³	\$16,659,493	\$12,318,473	\$4,341,020		
Special Compliance Personnel Program ³	\$11,485,504	\$11,485,504	\$0		
Other IRS Costs ⁴	\$48,970,332	\$2,847,225	\$11,870,974	\$18,967,202	\$15,284,931
Total IRS Costs⁵	\$131,741,154	\$65,286,375	\$31,133,702	\$20,036,146	\$15,284,931
Program Balance (Revenue less Total IRS Costs)	\$170,029,949	\$147,710,056	\$51,059,025	(\$13,454,201)	(\$15,284,931)

¹ Source: Chief Financial Officer (CFO) through September 12, 2019; FY 2019 data extracted from tables in Section B, Amount Collected.

² Source: Chief Financial Officer (CFO) through September 12, 2019; FY 2019 data extracted from tables in Section E, Fees Retained - Cost of Services Fund.

³ Source: SBSE Finance; Program Administration and SCPP costs are through September 30, 2019. FY 2019 Data extracted from tables in Section E, Fees Retained - Special Compliance Personnel Program (SCPP) Fund.

⁴ Costs not paid from the Cost of Services or SCPP Funds.

⁵ FY 2019 data extracted from tables in Section C, IRS Private Debt Collection Costs. The amounts are rounded to nearest whole dollar.

A. Tax Receivables

Tax Receivables
FY 2019 through September 12, 2019

PCA	Number of Entities	Amount
CBE	428,018	\$4,231,510,297
ConServe	428,052	\$4,230,031,066
Performant	427,805	\$4,216,318,586
Pioneer	427,492	\$4,207,407,878
Total	1,711,367	\$16,885,267,827

Source: SB/SE - PDC "FY 2019 All PCAs Report"

B. Amounts Collected

Dollars Collected
FY 2019 through September 12, 2019

PCA	Total	Commissionable Payments	Non-Commissionable Payments
CBE	\$56,081,588	\$51,493,073	\$4,588,515
ConServe	\$52,221,202	\$47,786,520	\$4,434,682
Performant	\$49,898,580	\$45,569,014	\$4,329,567
Pioneer	\$54,795,061	\$50,095,837	\$4,699,224
Total	\$212,996,431	\$194,944,443	\$18,051,988

Source: Chief Financial Officer (CFO), SB/SE - PDC "FY 2019 Non-Commissionable Payment Report"

Installment Agreements
FY 2019 through September 12, 2019

PCA	Number of Entities	Amount
CBE	12,988	\$89,291,239
ConServe	11,925	\$73,224,096
Performant	8,892	\$57,277,248
Pioneer	11,070	\$69,306,763
Total	44,875	\$289,099,346

Source: SB/SE - PDC "FY 2019 All PCAs Report"

C. IRS Private Debt Collection Costs

IRS COLLECTION COSTS
FY 2019 through September 30, 2019

Expense ¹	Total Amount
Commissions Paid²	\$38,635,173
Labor	\$12,688,313
Information Technology	\$1,232,277
Non-Information Technology	\$11,456,036
Travel	\$139,627
Information Technology	\$414
Non-Information Technology	\$139,214
Print	\$33,288
Information Technology	\$0
Non-Information Technology	\$33,288
Contract	\$3,342,902
Information Technology	\$2,922,882
Non-Information Technology	\$420,021
Background investigations	\$441,023
Information Technology	\$0
Non-Information Technology	\$441,023
Indirect Costs³	\$10,006,049
Total Direct and Indirect Costs	\$65,286,376

¹Source: SBSE Finance through September 30, 2019

²Source: Chief Financial Officer (CFO); Commissions are through the reporting cycle ending September 12, 2019 and all other costs are through September 30, 2019.

³Indirect costs are ongoing expenses of operating an organization that cannot be immediately associated with the activity or program. Overhead rate is 74.08% provided by CFO Cost Accounting. Indirect costs are determined by applying an overhead rate to all PDC Expenses.

E. Fees Retained

COST OF SERVICES FUND

Description	Amount
Commissionable Payments ¹	\$194,944,443
Fiscal Year 2018 Carryover	\$2,949,849
Fiscal Year 2018 Sequestration Returned ²	\$1,243,649
Retained Earnings ³	\$48,736,111
Less: Sequestration ²	(\$3,021,639)
Retained Earnings Available	\$49,907,970
Fees Paid to PCAs ¹	(\$38,635,173)
Fund Balance as of 09/30/2019	\$11,272,797

¹Source: Chief Financial Officer (CFO) through the reporting cycle ending September 12, 2019

²Source: SBSE Finance through September 30, 2019; Sequestered funds become available in future fiscal years.

³Twenty-five percent of commissionable payments.

SPECIAL COMPLIANCE PERSONNEL PROGRAM (SCPP) FUND

Fees	Amount
Fiscal Year 2018 Carryover	\$14,599,481
Fiscal Year 2018 Sequestration Returned ¹	\$1,243,649
Retained Earnings ²	\$48,736,111
Less: Sequestration ¹	(\$3,021,639)
Retained Earnings Available	\$61,557,602
Costs ¹	Amount
Special Compliance Personnel Program ³	\$11,485,504
Program Administration	\$12,318,473
Total SCPP Fund Costs	\$23,803,977
Fund Balance as of 09/30/2019	\$37,753,625

¹Source: SBSE Finance through September 30, 2019; Sequestered funds become available in future fiscal years.

²Twenty-five percent of commissionable payments.

³Special Compliance Personnel Program (SCPP) began October 2018.