

PRIVATE DEBT COLLECTION PROGRAM BALANCE

Program Start through December 13, 2018

Commissions are through December 13, 2018, all other costs are through November 30, 2018.

IRS Private Debt Collection Revenue and Costs Program Start through December 13, 2018					
Category	Total Amount	FY 2019	FY 2018	FY 2017	FY 2016
Revenue (Collections)					
Commissionable Payments ¹	\$119,200,750	\$38,464,152	\$75,372,679	\$5,363,918	
Non-Commissionable Payments ¹	\$11,432,935	\$3,394,861	\$6,820,047	\$1,218,027	
Total Revenue	\$130,633,685	\$41,859,013	\$82,192,727	\$6,581,945	
Cost					
Commissions Paid ²	\$23,642,767	\$7,652,115	\$14,921,708	\$1,068,944	
Contract Administration/SCPP Costs	\$5,303,135	\$962,115	\$4,341,020		
Special Compliance Personnel ³	\$1,033,964	\$1,033,964	\$0		
Other IRS Costs ⁴	\$47,703,086	\$1,579,979	\$11,870,974	\$18,967,202	\$15,284,931
Total IRS Costs⁵	\$77,682,952	\$11,228,173	\$31,133,702	\$20,036,146	\$15,284,931
Program Balance <small>(Revenue less Total IRS Costs)</small>	\$52,950,733	\$30,630,840	\$51,059,025	(\$13,454,201)	(\$15,284,931)

¹Data extracted from tables in Section B, Amount Collected.

²Data extracted from tables in Section E, Fees Retained – Cost of Services Fund.

³Data extracted from tables in Section E, Fees Retained – Special Compliance Personnel Program (SCPP) Fund.

⁴Includes IT and other costs not payable from the Cost of Services or SCPP Fund per IRC sections 6306I and 6307(a).

⁵Data extracted from tables in Section C, IRS Private Debt Collection Costs. The amounts were rounded to nearest whole dollar.

A. Tax Receivables

[IRC 6306(j)(1)(A)—The total number and amount of tax receivables provided to each contractor for collection]

FY 2019 THROUGH DECEMBER 13, 2018

Tax Receivables		
PCA	Number of Entities	Amount
CBE	114,116	\$1,033,943,575
ConServe	114,100	\$1,035,912,134
Performant	114,063	\$1,030,170,115
Pioneer	114,053	\$1,035,093,909
Total	456,332	\$4,135,119,733

Source *FY2019 All PCAs Report", 12/13/2018, Collection Analytics, Routing & Selection

B. Amounts Collected

[IRC 6306(j)(1)(B) [part 1]—The total amounts collected (and amounts of installment agreements entered into under subsection (b)(1)(B))¹ with respect to each contractor and...]

FY 2019 THROUGH DECEMBER 13, 2018

Dollars Collected

PCA	Total	Commissionable Payments	Non-Commissionable Payments
CBE	\$11,598,448	\$10,759,990	\$838,458
ConServe	\$9,990,636	\$9,201,839	\$788,797
Performant	\$10,002,878	\$9,169,737	\$833,140
Pioneer	\$10,267,051	\$9,332,585	\$934,466
Total	\$41,859,013	\$38,464,152	\$3,394,861

Source: "PDC Dollars Collected", 12/13/2018, SB/SE Planning and Performance Analysis

Installment Agreements Entered

PCA	Number of Entities	Amount
CBE	9,736	\$62,888,514
ConServe	7,390	\$43,868,860
Performant	4,708	\$30,705,796
Pioneer	5,464	\$36,244,897
Total	27,298	\$173,708,067

Source: "PDC Dollars Collected", 12/13/2018, SB/SE Planning and Performance Analysis

¹ IRC 6306(b)(1)(B) provides that the PCA may request full payment from such taxpayer of an amount of Federal tax specified by the Secretary and, if such request cannot be met by the taxpayer, to offer the taxpayer an installment agreement providing for full payment of such amount during a period no to exceed 5 years.

C. IRS Private Debt Collection Costs

[IRC 6306(j)(1)(B) [part 2]...the collection costs incurred (directly and indirectly) by the Internal Revenue Service with respect to such amounts]

FY 2019 THROUGH DECEMBER 13, 2018

Commissions are through 12/13/2018, all costs are through 11/30/2018

IRS Collection Cost	
Expense	Total Amount
Commissions Paid	\$7,652,115
Labor	\$1,511,200
Information Technology	\$131,684
Non-Information Technology	\$1,379,516
Travel	\$25,882
Information Technology	\$0
Non-Information Technology	\$25,882
Print	\$15,450
Information Technology	\$0
Non-Information Technology	\$15,450
Contract	\$440,000
Information Technology	\$440,000
Non-Information Technology	\$0
Background investigations	\$156,550
Information Technology	\$0
Non-Information Technology	\$156,550
Indirect Costs ^{1,2}	\$1,426,975
Total Direct and Indirect Costs	\$11,228,173

Source: SB/SE Finance

¹Indirect costs are ongoing expenses of operating an organization that cannot be immediately associated with the activity or program.

²Indirect costs are determined by applying an overhead rate to known direct costs. The FY 2017 overhead rate of 94.43% was provided by CFO Cost Accounting.

D. Impacts

[IRC 6306(j)(1)(C) [part 1]—The impact of such contracts on the total number and amount of unpaid assessments, and...]

FY 2019 THROUGH OCTOBER 17, 2018

Note: As of the date of the submission of this report, this data was not available, but will be included in the next quarterly update.

[IRC 6306(j)(1)(C) [part 2]...on the number and amount of assessments collected by Internal Revenue Service personnel after initial contact by a contractor]

FY 2019 THROUGH OCTOBER 17, 2018

Note: As of the date of the submission of this report, this data was not available, but will be included in the next quarterly update.

E. Fees Retained

[IRC 6306(j)(1)(D)—The amount of fees retained by the Secretary under subsection (e)² and a description of the use of such funds, and...]

FY 2019 THROUGH DECEMBER 13, 2018

Cost of Services Fund	
Description	Amount
Commissionable Payments	\$38,464,152
Fiscal Year 2018 Carryover	\$2,949,849
Fiscal Year 2018 Sequestration Returned	
25% of Commissionable Payments	\$9,616,038
Less: Sequestration	(\$596,194)
Retained Earnings	\$11,969,693
Fees Paid to PCAs	(\$7,652,115)
Remaining Balance in Cost of Services Fund	\$4,317,578

Source: CFO

Note: Sequestered fund will become available in future fiscal years

Special Compliance Personnel Program (SCPP) Fund	
Fees	Amount
Fiscal Year 2018 Carryover	\$14,599,481
Fiscal Year 2018 Sequestration Returned	\$0
25% of Commissionable Payments	\$9,616,038
Less: Sequestration	(\$596,194)
Retained Earnings	\$23,619,325
Costs	Amount
Special Compliance Personnel Program ¹	\$1,033,964
Contract Administration	\$962,115
Total SCPP Fund Costs	\$1,996,079
Available Balance in SCPP Fund	\$21,623,246

Source: SBSE Finance - FY 2018 cumulative through November 30, 2018

¹ Special Compliance Personnel Program is scheduled to begin October 2018.

Note: Sequestered fund will become available in future fiscal years

² IRC 6306(e) provides that the Secretary may retain and use (1) an amount not in excess of 25 percent of the amount collected under any qualified tax collection contract for the costs of services performed under such contract, and (2) an amount not in excess of 25 percent of such amount collected to fund the special compliance personnel program account under section 6307.