

PRIVATE DEBT COLLECTION PROGRAM BALANCE

The following table summarizes the PDC Program revenue and costs through June 14, 2018.

IRS Private Debt Collection Costs and Retained Earnings Program Start date through June 14, 2018				
Category	Total Amount	FY 2018	FY 2017	FY 2016
Revenue (Collections)				
Commissionable Payments ¹	\$51,154,284	\$45,790,366	\$5,363,918	
Non-Commissionable Payments ¹	\$5,464,952	\$4,246,925	\$1,218,027	
Total Revenue	\$56,619,236	\$50,037,291	\$6,581,945	
Cost				
Commissions Paid ²	\$10,136,456	\$9,067,512	\$1,068,944	
Contract Administration/SCPP Costs ³	\$2,780,166	\$2,780,166		
Other IRS Costs ⁴	\$42,415,204	\$8,163,071	\$18,967,202	\$15,284,931
Total IRS Costs⁵	\$55,331,826	\$20,010,750	\$20,036,145	\$15,284,931
Program Balance (Revenue less Total IRS Costs)	\$1,287,410	\$30,026,541	(\$13,454,200)	(\$15,284,931)

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

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

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

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

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

QUARTERLY UPDATE - PRIVATE DEBT COLLECTION RESULTS – Includes Fiscal Year (FY) 2018 tables through June 14, 2018. The corresponding tables showing the results for FY 2017 are included for reference.

A. Tax Receivables

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

FY 2017

Tax Receivables		
PCA	Number of Entities	Amount
CBE	32,126	\$230,657,371
ConServe	32,087	\$228,275,679
Performant	32,057	\$231,675,169
Pioneer	32,074	\$228,985,161
Total	128,344	\$919,593,380

Source: "FY2017 All PCAs Report", 9/14/2017, Collection Analytics, Routing & Selection

FY 2018 THROUGH JUNE 14, 2018

Tax Receivables		
PCA	Number of Entities	Amount
CBE	93,721	\$793,269,922
ConServe	93,725	\$792,136,020
Performant	93,756	\$791,908,646
Pioneer	93,347	\$792,197,060
Total	374,549	\$3,169,511,649

Source *FY2018 All PCAs Report", 06/14/2018, 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 2017

Dollars Collected

PCA	Total	Commissionable Payments	Non-Commissionable Payments
CBE	\$1,989,163	\$1,649,253	\$339,910
ConServe	\$1,557,688	\$1,294,861	\$262,827
Performant	\$1,415,925	\$1,152,249	\$263,676
Pioneer	\$1,619,170	\$1,267,556	\$351,614
Total	\$6,581,945	\$5,363,918	\$1,218,027

Source: "PDC Dollars Collected", 9/14/2017, SB/SE Planning and Performance Analysis

FY 2018 THROUGH JUNE 14, 2018

Dollars Collected

PCA	Total	Commissionable Payments	Non-Commissionable Payments
CBE	\$15,093,750	\$13,825,578	\$1,268,172
ConServe	\$11,226,218	\$10,400,536	\$825,682
Performant	\$10,994,186	\$9,884,731	\$1,109,455
Pioneer	\$12,723,137	\$11,679,521	\$1,043,616
Total	\$50,037,291	\$45,790,366	\$4,246,925

Source: "PDC Dollars Collected", 06/14/2018, 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 not to exceed 5 years.

FY 2017

Installment Agreements Entered

PCA	Number of Entities	Amount
CBE	1,272	\$7,369,585
ConServe	889	\$4,694,788
Performant	378	\$2,230,821
Pioneer	788	\$4,590,587
Total	3,327	\$18,885,781

Source: "PDC Dollars Collected", 9/14/2017, SB/SE Planning and Performance Analysis

FY 2018 THROUGH JUNE 14, 2018

Installment Agreements Entered

PCA	Number of Entities	Amount
CBE	5,430	\$36,197,779
ConServe	4,243	\$25,323,827
Performant	1,993	\$14,363,990
Pioneer	2,906	\$19,331,553
Total	14,572	\$95,217,148

Source: "PDC Dollars Collected", 06/14/2018, SB/SE Planning and Performance Analysis

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 2017

IRS Private Debt Collection Costs	
Expense	Total Amount
Commissions Paid	\$1,068,944
Labor	\$6,158,908
Information Technology	\$2,026,583
Non-Information Technology	\$4,132,325
Travel	\$188,781
Information Technology	\$30,916
Non-Information Technology	\$157,865
Print	\$14,147
Non-Information Technology	\$14,147
Contract	\$5,933,183
Information Technology	\$4,787,847
Non-Information Technology	\$1,145,336
Background Investigation	\$1,274,400
Non-Information Technology	\$1,274,400
Indirect Costs	\$5,397,782
Total Direct and Indirect Costs	\$20,036,145

Source: SB/SE Finance

FY 2018 THROUGH JUNE 14, 2018

Commissions are through 06/14/18. All other costs are through 05/31/18.

IRS Private Debt Collection Cost	
Expense	Total Amount
Commissions Paid	\$9,067,512
Labor	\$3,163,394
Information Technology	\$582,107
Non-Information Technology	\$2,581,287
Travel	\$64,465
Information Technology	\$6,076
Non-Information Technology	\$58,389
Print	\$30,061
Information Technology	\$0
Non-Information Technology	\$30,061
Contract	\$4,483,361
Information Technology	\$2,300,187
Non-Information Technology	\$2,183,174
Background investigations	\$214,872
Information Technology	\$0
Non-Information Technology	\$214,872
Indirect Costs ^{1,2}	\$2,987,085
Total Direct and Indirect Costs	\$20,010,750

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 (UA), and...]

FY 2017

Unpaid Assessments

Date	PCA (cumulative totals)		UA (balance at month end)	
	Entities	Amount	Entities	Amount
April 2017	781	\$4,734,914	14,904,849	\$293,486,405,479
May 2017	13,226	\$96,926,430	17,042,496	\$300,592,117,689
June 2017	28,863	\$217,044,930	17,006,086	\$299,318,681,592
July 2017	56,555	\$407,099,223	16,820,483	\$296,999,634,552
August 2017	96,204	\$673,882,876	16,581,068	\$294,835,249,499
September 2017	128,344	\$919,593,380	16,493,033	\$294,412,942,591

Source: Chief Financial Officer (CFO)

FY 2018 THROUGH JUNE 2018

Unpaid Assessments

Date	Assigned to PCA (entities)	Assigned to PCA (amount)	Total UA (entities)	Total UA (amount)
October 2017	39,644	\$266,705,205	16,670,152	\$294,213,936,568
November 2017	33,489	\$225,289,687	16,898,205	\$300,615,704,905
December 2017	39,678	\$279,228,568	16,547,877	\$298,707,806,635
January 2018	19,863	\$170,785,630	16,273,707	\$296,161,014,445
February 2018	6,895	\$82,280,317	15,860,226	\$295,201,769,106
March 2018	36,531	\$409,763,001	15,425,822	\$294,401,878,397
April 2018	59,183	\$604,813,312	15,145,161	\$292,490,440,385
May 2018	68,286	\$681,554,716	17,372,700	\$302,422,132,868
June 2018 ¹	70,980	\$449,091,213	not available	\$302,387,470,628

Source: Chief Financial Officer (CFO)

¹ UA entity data is not available until August due to CDW system maintenance to upgrade server and database.

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

FY 2017

IRS Collected After IC by PCA

Date	Number of Entities	Amount
April 2017	6	\$20,897
May 2017	100	\$105,558
June 2017	317	\$238,759
July 2017	737	\$321,968
August 2017	1,870	\$774,534
September 2017	2,314	\$686,373
FY 2017 Total	5,344	\$2,148,089

Source: SB/SE – PDC Operational Reports

FY 2018 THROUGH JUNE 14, 2018

IRS Collected After IC by PCA

Date	Number of Entities	Amount
October 2017	1,009	\$565,588
November 2017	1,107	\$653,095
December 2017	1,098	\$795,695
January 2018	1,749	\$1,117,048
February 2018	951	\$470,734
March 2018	4,722	\$4,329,986
April 2018	4,143	\$3,582,183
May 2018	29,849	\$28,251,829
June 2018	2,456	\$1,152,445
FY 2018 Total	47,084	\$40,918,603

Source: SB/SE---PDC Operational Reports

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...]

Cost of Services

FY 2017

Cost of Services Fund	
Description	Amount
Commissionable Payments	\$5,363,918
25% of Commissionable Payments	\$1,340,980
Sequestration	(\$92,528)
Retained Earnings	\$1,248,452
Fees Paid to PCAs	(\$1,068,944)
Available Balance in the Cost of Services Fund	\$179,508

Source: SB/SE Finance—FY 2017 cumulative through September 30, 2017

FY 2018 THROUGH JUNE 14, 2018

Cost of Services Fund	
Description	Amount
Commissionable Payments	\$45,790,366
Fiscal Year 2017 Carryover	\$179,508
Fiscal Year 2017 Sequestered Funds Returned	\$92,528
25% of Commissionable Payments	\$11,447,591
Less: Sequestration ¹	(\$755,541)
Retained Earnings	\$10,964,086
Fees Paid to PCAs	(\$9,067,512)
Remaining Balance in Cost of Services Fund	\$1,896,574

Source: CFO

¹ Sequestered funds 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.

Special Compliance Personnel Program (SCPP) Fund

FY 2017

Special Compliance Personnel Program (SCPP) Fund	
Fees	Amount
Commissionable Payments	\$5,363,918
25% of Commissionable Payments	\$1,340,980
Sequestration	(\$92,528)
Retained Earnings	\$1,248,452
Costs	Amount
Special Compliance Personnel Program ¹	\$0
Contract Administration	\$0
Total SCPP Fund Costs	\$0
Available Balance in SCPP Fund	\$1,248,452

Source: SBSE Finance - FY17 cumulative through September 30, 2017

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

FY 2018 THROUGH JUNE 14, 2018

Commissions are through 06/14/18. All other costs are through 05/31/18.

Special Compliance Personnel Program (SCPP) Fund	
Fees	Amount
Fiscal Year 2017 Carryover	\$1,248,452
Fiscal Year 2017 Sequestered Funds Returned	\$92,528
25% of Commissionable Payments	\$11,447,591
Less: Sequestration ²	(\$755,541)
Retained Earnings	\$12,033,030
Costs	Amount
Special Compliance Personnel Program ¹	\$0
Contract Administration	\$2,780,166
Total SCPP Fund Costs	\$2,780,166
Available Balance in SCPP Fund	\$9,252,864

Source: SBSE Finance - FY 2018 cumulative through May 31, 2018

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

² Sequestered funds will become available in future fiscal years.