



FINANCIAL MANAGEMENT INITIATIVES

ADVANCING OUR MISSION

Our Chief Financial Officer (CFO) also serves as the Performance Improvement Officer. This dual role provides a unique position overseeing the full life cycle of agency initiatives and goals—from the development of the *Agency Strategic Plan*, which drives budget decisions and annual performance plans, to the financial management of resources and performance reporting. The mission of the Office of the Chief Financial Officer (OCFO) is financial management excellence. The following are key financial management initiatives that advance this mission and the agency’s mission, Strategic Goals, and Objectives:

DEBT MANAGEMENT

- **Remittance Modernization to Improve Service Delivery:** OCFO is leading our remittance modernization efforts. Historically, our remittance process was a largely manual paper workload handled by our Mid-Atlantic Program Service Center (MATPSC). The MATPSC remittance process requires a method of payment (check, money order, or debit or credit card) and a corresponding payment coupon necessary to update a debtor’s record. In FY 2021, as part of the Debt Management Product, we implemented several improvements to our remittance process. These enhancements, along with our previously implemented Social Security Electronic Remittance System, now account for almost 50 percent of our remittance activity.
 - **Pay.gov:** In January 2021, we partnered with the Department of the Treasury’s (Treasury) Pay.gov team to implement our first online repayment option for Old-Age, Survivors, and Disability Insurance (OASDI) beneficiaries and Supplemental Security Income (SSI) recipients to repay benefit overpayments via credit or debit card and an automated clearing house (ACH) (i.e., a checking or savings account). As of September 30, 2021, we processed 323,585 remittances and collected \$79.5 million through Pay.gov.
 - **Lockbox Service:** Also, in January 2021, we partnered with Treasury to use U.S. Bank, a financial agent for Treasury, to implement a lockbox service to assist with our paper remittance processing efforts. In February 2021, we began routing paper remittances to the lockbox for processing, which relieved our Remittance Accounting Unit, and allowed them to focus on other workloads. As of September 30, 2021, we processed 196,554 remittances and collected \$37.7 million through the lockbox service.
 - **Online Bill Pay:** In July 2021, we implemented Online Bill Pay (OLBP), allowing debtors to make a one-time or recurring ACH draft from a bank account using a personal computer or mobile phone. Prior to this implementation, OLBP remittances defaulted to paper checks. As of September 30, 2021, we processed 419 remittances and collected \$0.1 million through OLBP.
- **Program Debt Write-Off:** In FY 2021, we completed a multi-phase project to analyze debt we have determined to be delinquent and uncollectible for potential termination of collection by the agency. By terminating collection activity on uncollectible debts, we will better reflect current receivables on our records and financial statements, as well as reduce the number of actions from the processing center pending backlog. However, while we are terminating active collection efforts, the debt will remain on the individual’s agency record to be collected in the future, where appropriate and applicable. If eligible, we will refer these delinquent debts to the Treasury Offset Program for external collection action.

PUBLIC SERVICE

- **Economic Impact Payments:** The *American Rescue Plan Act of 2021* (ARP Act) authorized a third round of Economic Impact Payments (EIP). On March 17, 2021, we executed a reimbursable agreement with Treasury’s Internal Revenue Service (IRS) to support the issuance of a third round of EIPs. The ARP Act provided that eligible taxpayers would receive a third EIP of up to \$1,400 for individuals or \$2,800 for married



couples. Individuals would also receive \$1,400 for each qualifying dependent child. Based upon their income, some of our OASDI beneficiaries and SSI recipients are not required to file Federal tax returns. OCFO worked closely with IRS and Treasury's Bureau of Fiscal Service to ensure that all eligible OASDI beneficiaries and SSI recipients received their EIPs automatically. We sent notices to 8.5 million SSI recipients notifying them of actions they can take to receive missing EIPs and to find information about the Child Tax Credits authorized by ARP.

- **Keeping Employees and the Public Safe:** Our highest priority during this unprecedented time has been to provide mission-critical services while safeguarding the health of the public and our employees. We transitioned to telework and in FY 2021 conducted most workloads through online, telephone, and video service with limited in-office service for critical situations. OCFO procured supplies for the COVID-19 pandemic, including health and safety items for our offices nationwide, as well as permanent and temporary barriers.
- **Advancing Equity in Our Programs:** Equity is the bedrock of American democracy, and our diversity is one of our country's greatest strengths. In FY 2021, we established the Agency Equity Team in accordance with Executive Order (EO) 13985, *Advancing Racial Equity and Support for Underserved Communities through the Federal Government*, to coordinate agency-wide and interagency efforts, and discuss opportunities to ensure equity in our programs. The Agency Equity Team has established several workgroups to address program and policy topics regarding disparities that underserved communities and individuals may face in accessing programs and services, and we are working on activities in accordance with the EO.

EFFICIENCY

- **Compassionate And REsponsive Service Plan:** In FY 2021, as a result of our Compassionate And REsponsive Service plan, the Administration's and Congress' support, and the hard work of our employees, we reduced the hearings backlog to the lowest level in 20 years. In FY 2021, we received \$50 million in dedicated funding to reduce the hearings backlog. Over the last 5 years, Congress has provided \$440 million in special funding dedicated to address the hearings backlog. From budget planning, execution, and reporting, to providing ongoing medical and vocational contractual support for hearings cases, OCFO remains engaged to improve the hearings process.
- **Large Site Activities:** OCFO continues to identify opportunities to improve the use of space at our large site facilities, while simultaneously reducing costs. In FY 2021, we continued renovations at our headquarters facilities, which will allow us to move staff onto campus to vacate the Security West building at the end of FY 2023 – one year ahead of schedule. Once complete, this project will yield \$17 million in annual rent savings. We also collaborated with the General Services Administration (GSA) on a prospectus-level project for our space requirements in the National Capital Region (which includes Washington, DC, and parts of Maryland and Virginia), where GSA is negotiating a new lease to consolidate our staff in a single location with significant space savings. These projects leverage our revised space allocation standards that will enable us to reduce our real property footprint, reduce costs, and meet the objectives associated with OMB's real property capital planning requirements and the *Federal Assets Sale and Transfer Act*. We also collaborated with GSA on a prospectus-level project at the Frank Hagel Federal Building in Richmond, CA that will address needed infrastructure updates to the building.
- **Robotic Process Automation:** In FY 2020, OCFO implemented robotic process automation (RPA) that allowed for the automated posting of returned SSI payments, made after death, to the Supplemental Security Income Record. In FY 2021, this RPA automatically posted over 29,000 transactions, averaging 3 seconds per transaction, versus the 3 minutes per transaction required in the previous manual process. OCFO added RPA that verifies the automated posting of returned SSI payments, made after death, to the Supplemental Security Income Record. Under the manual verification process, we processed an average of 20,000 returned payments annually, spending approximately 5 minutes per transaction. From the May 2021 implementation through the end of FY 2021, the RPA processed over 11,000 verifications, averaging about 20 seconds per transaction.
- **Climate Change:** In support of the Administration's goal to combat the climate crisis, OCFO developed the Climate Action Plan in August 2021. Our Climate Action Plan demonstrates our commitment to bolstering adaptation to climate change and conserving resources by encouraging employees and contractors to reduce



energy consumption, water usage, and the amount of waste produced, as well as promote re-use and recycling whenever possible. We established an internal working group consisting of key stakeholders to develop a plan to meet the clean and zero emissions vehicles mandated by EO 14008, and continue improving our understanding of climate change risks through interagency initiatives and the National Climate Task Force.

INTERNAL CONTROLS

- **Enterprise Risk Management:** During FY 2021, OCFO continued to mature our Enterprise Risk Management (ERM) program. We have implemented a multi-year strategy that will further integrate our existing internal control and risk management frameworks with our strategic planning and review processes. We further aligned ERM with our Cybersecurity and Enterprise Fraud Risk Management programs, including developing an Integration Framework to assist with integrating agency programs with ERM, finalizing our risk appetite statement; conducting market research on obtaining a Governance, Risk, and Compliance Tool to assist with our ERM efforts; and developing an evaluation process to determine our ERM maturity.



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