

Funding Freedom
Teresa Hunter,
Chief Financial Officer, Internal Revenue Service
&
Bryan Musselman,
Deputy Chief Financial Officer, Internal Revenue Service



56

Chief Financial Officer

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Funding Freedom

Teresa Hunter
Chief Financial Officer
Internal Revenue Service

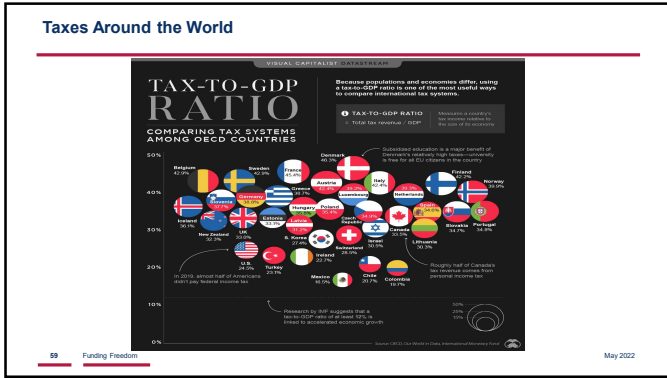
57

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59

Fun Fact

Follow the Money...

It was an IRS Criminal Investigations Special Agent, Mike Malone who was undercover in the Capone mob.

...The FBI thought having someone go undercover in the mob would be too dangerous.

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Poll #1: How many pages, including instructions, was the 1913 individual income tax return?

Four

Eight

Eleven

Eighty

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How many pages, including instructions, was the 1913 individual income tax return? Just 4 pages.

The image shows four pages of the 1913 individual income tax return. The first page is the main return form with various sections for reporting income and deductions. The second page is a continuation of the return. The third page is a separate schedule. The fourth page is the instructions for the return, which are quite detailed for a form of that era.

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How many pages, including instructions, was the 1913 individual income tax return?

4. Losses actually sustained during the year incurred in trade or arising from fires, storms, or shipwreck, and not compensated for by insurance or otherwise

Interestingly, for all its brevity, it detailed how to claim a loss sustained due to a shipwreck.

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U.S. Individual Income Tax Return in 1959

1. Check blocks which apply. Check for only one full of two income is included in this return, or if she had no income. (a) Regular \$500 exemption Yourself Wife Enter amount of exemption (b) Additional \$500 exemption if 65 or over at end of taxable year. Yourself Wife Enter amount of exemption (c) Additional \$500 exemption if blind at end of taxable year. Yourself Wife Enter amount of exemption

2. List first names of your children who qualify as dependents, give address if different from yours.

3. Enter number of exemptions claimed for other persons listed at top of page 2.

4. Enter the total number of exemptions claimed on lines 1, 2, and 3.

It wasn't until the 1967 return was released that redefined "wife" as "spouse."

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Poll #2: What was the marginal tax rate on income over \$500K in 1913?

2 percent

6 percent

12 percent

24 percent

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What was the marginal tax rate on income over \$500K in 1913? 6 percent.

8. When the net income shown above on line 3 exceeds \$20,000, the additional tax thereon must be calculated as per schedule below:

		INCOME.			TAX.		
1	per cent on amount over \$20,000 and not exceeding \$50,000	\$		\$			
2	" " 50,000 " " 75,000						
3	" " 75,000 " " 100,000						
4	" " 100,000 " " 250,000						
5	" " 250,000 " " 500,000						
6	" " 500,000						

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Who We Are: The IRS Mission and Budget

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

\$11.5B
IRS's Budget

\$4.1T
Collected in
Gross Taxes

Funds 96%
of all government
operations

FY2021 IRS Budget vs Revenue Generated

■ Custodial Revenue ■ Enacted Budget (Nominal)

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Poll #3: Three Truths and a Lie

CAN YOU TELL WHICH ONE IS A LIE?

Tax Instructions
When the IRS 1040 tax form was first introduced in 1914, it had only 1 page of instructions. Today, the 1040 has 101 pages of instructions alone.

Tax Forms
The IRS sends out more than 6 billion pages in forms and instructions every year.

IRS Audit Probability
The IRS audits less than 1% of individual returns. If you make \$1 million or more a year, however, your chance of being audited raises to 11%.

IRS Audit Wins
The IRS wins 80% of all audits, mostly because taxpayers cannot properly verify the information on their tax returns.

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Who We Are: Office of the CFO

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CFO Transformation in Action

"Culture eats strategy for breakfast."
- Peter Drucker


What We Are Doing		As a Result
Swing...Batter Batter Innovation Team: Elevate to Innovate - Advance automation and analytics - Risk Based Process Improvements - Transparent Discovery - Rapid Innovations and Ideation	Strategic Initiatives - Data-driven Foundation - Agile Finance - Aggregation Restructure - Visualization - Usable Data	✓ Provide real time analysis ✓ Support decision making ✓ Support forward thinking resource solutions ✓ Automate manual processes ✓ Automate controls & compliance
Outreach Governmentwide Presence - CFO Council/Workgroups/Fed CoPs - Line of Business Workgroups	Pilot Programs - Enterprise Digitalization and Innovation Lab Collaboration	Design our Destiny ✓ Influence policy ✓ Set standards ✓ Quickly adapt to regulatory requirements
Team Building - CFO All Hands, Zoom Socializing - Networking, SLT Teambuilding - Holiday/Birthday Messages - CFO Picnic	Employee Engagement Change Management - Exit and New Hire Meet/Greets - EDI/PMO Sessions - Upskilling/Reskilling workforce effort - Change Management practitioners	Transformative Culture ✓ Collaborative ✓ Adaptable ✓ Empowered ✓ Equipped ✓ Innovative

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Poll #4: IRS and Agile Finance

What is the **one word** that comes to mind when you think of the IRS and agile finance?



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Streamlining Processes: Creating Capacity for Agile Finance

CFO INNOVATION PROJECTS OUTCOMES

- 61% AVERAGE WORKLOAD REDUCTION
- 56 REDUCED EMPLOYEE TOUCH
- 41,078 ANNUAL WORK HOURS SAVED
- 30,000 ANNUAL WORK HOURS AVOIDED
- 2B +2B FINANCIAL ADJUSTMENT

CFO INNOVATION PROJECTS IN PROGRESS BY AREA

Travel Management	7
Unpaid Assessments	6
Financial Management Systems	5
Custodial Reporting	4
Financial Reports	3
Financial Management	3
Property & Equipment	2
Custodial Systems & Analysis	2
Audit & Review	2
Accounts Payable	2
Internal Controls	1
Government Payables & Funds Management	1
Cost Accounting and User Fees	1

Current processes are being reworked with various tools in mind as solutions for 40 active innovation projects.

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Success Story: Data Analytics

CFO, Financial Management FINANCIAL PERFORMANCE SCORECARD

58% WORKLOAD REDUCTION

2 REDUCED EMPLOYEE TOUCH

726 ANNUAL WORK HOURS AVOIDED

WORKLOAD: 1,100 HOURS ANNUALLY (Current State) vs 423 HOURS ANNUALLY (After Improvements)

OUTCOMES: Streamlined the compilation and aggregation of working papers and related information reported in the financials.

LOOKING FORWARD: Continue to reduce number of financial performance measures provided to senior financial leadership. The CFO, Budget and Finance.

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Success Story: Statement of Net Cost

CFO, Financial Management, Financial Reporting & Analysis

STATEMENT OF NET COST (SNC) INNOVATION

Financial Reporting and Analysis worked in conjunction with the cost accounting team to produce a Statement of Net Cost only once reporting and allocation from the Financial Reporting and Analysis team. The Financial Reporting and Analysis team worked closely with the cost accounting team to ensure that the Statement of Net Cost is accurate and reliable.

OUTCOMES

- Reduced steps and dependencies needed for the Financial Reporting & Analysis team to generate the SNC, resulting in more data points and reporting capabilities.
- Enabled cost to now perform better analysis and research earlier in the year, and align with the total capacity from the Big PRC subsidiaries and C&O subsidiaries.
- Streamlined reporting using tailored data views, filters, formulas, and capabilities to meet the needs of reporting and being out-of-the-loop.

LOOKING FORWARD

- Expand the use of reporting capabilities to generate additional reports and dashboards.
- Enhance PRC subsidiaries and C&O subsidiaries to ensure they are aligned with the process. Consider their specific entities accuracy.
- Expand improvements Big PRC to other PRA and PRC entities where C&O data flows in conjunction with Finance systems or data directly to Research Operations.

119 BUSINESS DAYS ANNUAL REDUCTION

4 REDUCED EMPLOYEE TOUCHES

600 PROCESS STEPS SAVED BY AUTOMATED S&P REPORTING

HOURLY WORKLOAD

900 HOURS ANNUALLY

CURRENT STATE AFTER IMPROVEMENT

Reduce manual data collection and manual data entry. Automate data collection and manual data entry. Automate data collection and manual data entry.

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Success Story: Bulk Asset Property & Equipment

CFO, Financial Management, Property Plant and Equipment

BULK ASSET INNOVATION

The Property Team is implementing a new process to track bulk assets in bulk units instead of reporting by individual units. This process will reduce the number of units reported and the number of units reported. This process will reduce the number of units reported and the number of units reported.

OUTCOMES

- Limiting the data reach available in financial and cost reporting capabilities to research needed and not for use from Property and IT teams.
- Enabled cost to self service and reduce dependencies on finance capable of CFO for asset data collection and updates.
- Ensuring business logic and mathematical assumptions, formulas, and capabilities to report assets in support of Property and user management at the asset level.

LOOKING FORWARD

- Expand the use of the enhanced capabilities and report functionality to other areas within CFO.
- Enrich and fully work through the design and implementation of asset accounting.

1,040 HOURS ANNUAL REDUCTION

4 REDUCED EMPLOYEE TOUCHES

83% IMPROVEMENT IN REDUCING BULK ASSETS SUBSEQUENCE DATA

HOURLY WORKLOAD

1,260 HOURS ANNUALLY

CURRENT STATE AFTER IMPROVEMENT

Reduce manual data collection and manual data entry. Automate data collection and manual data entry. Automate data collection and manual data entry.

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Success Story: Social Security Deferrals

CFO, Financial Management, Financial Reporting & Analysis

SOCIAL SECURITY DEFERRALS

There were seen as capability for accurate financial reporting for SSD as an asset and would not have been able to report the asset. Now, the team is using the new process to report the asset and would not have been able to report the asset.

OUTCOMES

- Improved and accurate financial reporting for reported deferral amounts that can be reported and research at the level of financial statements.
- Eliminate the need for manual manual adjustments that would be an inaccurate challenge given volume of assets (700K+).
- Identify and update technology capabilities of Financial Reporting System (SNC) to deal with the large volume of deferrals for peak and off-peak.

LOOKING FORWARD

- Expand the dashboard and reporting capabilities for research and reports to other areas within CFO.
- Ensure the process is working as intended and review for research and reports to other areas within CFO.
- Consider and update the process and expand the scope for other areas within CFO.

100% HOURS REDUCTION FOR THIS PROJECT

3 PEOPLE TOUCHES NEEDED

3,098* HOURS WORKING AVOIDED

30,000 HOURS WORTH FOR 100% REDUCTION

HOURLY WORKLOAD

1,000 HOURS ANNUALLY

CURRENT STATE AFTER IMPROVEMENT

Reduce manual data collection and manual data entry. Automate data collection and manual data entry. Automate data collection and manual data entry.

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79

Technology Areas of Focus

Our agile finance approach provides benefits across the enterprise to support taxpayers, and needs technology to accomplish this:

- Constantly evaluating existing and untapped technology resources the CFO organization can utilize for our day-to-day functions.
- Exploring emerging technology and tools for enabling staff to work in a more agile, fast and accurate way.

Existing Tech: Power Query, SharePoint, UiPath, SAP, Tableau

Emerging Tech: Power Apps, Power Automate, Smart Data, GBR, python

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80

Growing Together

Motivation	Change	Opportunities
<p>When people can determine how they work, the means to judge their progress and the feeling that their work helps other people, they can't help but be motivated to get to work.</p> <p>David Burkus, author, podcaster and associate professor of management at Oral Roberts University</p>	<p>If you always do what you always did, you will always get what you always got.</p> <p>Albert Einstein</p>	<p>Failure is simply the opportunity to begin again, this time more intelligently.</p> <p>Henry Ford</p>

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81
