FY 2024 EXECUTIVE SUMMARY

President's Budget Discretionary Appropriation Request

Dollars in Thousands

	FY 2022 Enacted (post IRS transfer)	FY 2023 Enacted (pre IRS transfer)	FY 2023 Enacted (post IRS transfer)	FY 2024 President's Budget
Management & Financial	**$1,704,947**	**$1,880,728**	**$1,880,728**	**$2,199,881**
Departmental Offices Salaries and Expenses [1, 2]	$243,109	$273,882	$273,882	$332,199
Committee on Foreign Investment in the United States (CFIUS)	$20,000	$21,000	$21,000	$21,000
CFIUS Fees	($20,000)	($21,000)	($21,000)	($21,000)
Subtotal CFIUS Fund (non add)	**$20,000**	**$21,000**	**$21,000**	**$21,000**
Office of Terrorism and Financial Intelligence [1]	$195,192	$216,059	$216,059	$244,000
Cybersecurity Enhancement Account	$80,000	$100,000	$100,000	$215,000
Department-wide Systems and Capital Investments Program	$6,118	$11,118	$11,118	$30,881
Office of Inspector General	$42,275	$48,878	$48,878	$49,180
Treasury Inspector General for Tax Administration	$174,250	$174,250	$174,250	$187,368
Special Inspector General for TARP	$16,000	$9,000	$9,000	$0
Special Inspector Pandemic Recovery	$8,000	$12,000	$12,000	$16,000
Community Development Financial Institutions Fund	$295,000	$324,000	$324,000	$341,478
Financial Crimes Enforcement Network [1]	$161,000	$190,193	$190,193	$228,908
Alcohol and Tobacco Tax and Trade Bureau	$128,067	$148,863	$148,863	$155,604
Bureau of the Fiscal Service	$355,936	$372,485	$372,485	$399,263
Tax Administration [1, 3, 4]				
Internal Revenue Service Total	**$12,594,054**	**$12,319,054**	**$12,319,054**	**$14,136,585**
Taxpayer Services	$2,807,606	$2,780,606	$2,880,606	$3,422,449
Enforcement	$5,363,622	$5,437,622	$5,165,741	$5,904,441
Operations Support	$4,147,826	$4,100,826	$4,122,707	$4,520,076
Business Systems Modernization	$275,000	$0	$150,000	$289,619
Subtotal, Treasury Appropriations excluding TEOAF	**$14,299,001**	**$14,199,782**	**$14,199,782**	**$16,336,466**
Treasury Executive Office of Asset Forfeiture (TEOAF) Permanent Rescission	($175,000)	($150,000)	($150,000)	$0
Subtotal, Treasury Appropriation including TEOAF	**$14,124,001**	**$14,049,782**	**$14,049,782**	**$16,336,466**
Treasury International Programs	**$2,056,460**	**$2,364,515**	**$2,364,515**	**$4,037,358**
Multilateral Development Banks	$1,527,172	$1,906,315	$1,906,315	$2,292,825
Climate Change and Environment Funds	$274,288	$275,200	$275,200	$1,420,700
Quality Infrastructure	$0	$0	$0	$40,000
Food Security	$48,000	$53,000	$53,000	$121,833
Office of Technical Assistance	$38,000	$38,000	$38,000	$45,000
IMF Facilities and Trust Funds	$102,000	$20,000	$20,000	$0
Debt Restructuring and Relief	$67,000	$72,000	$72,000	$67,000
Treasury Int'l Assistance Programs	$0	$0	$0	$50,000
Total, Treasury Appropriations excluding TEOAF	**$16,355,461**	**$16,564,297**	**$16,564,297**	**$20,373,824**
Total, Treasury	**$16,180,461**	**$16,414,297**	**$16,414,297**	**$20,373,824**

[1]Excludes IRA resources, Ukraine supplemental appropriations, or one-time mandatory funding.

[2]FY 2023 Omnibus includes $12M to support the Office of Recovery Programs administrative shortfall.

[3]FY 2022 Enacted (post IRS transfer) includes a transfer of $74 million from Enforcement to Taxpayer Services ($27 million) and Operations Support ($47 million).

[4]FY 2023 Enacted (post IRS transfer) includes a transfer of $271.9 million from Enforcement to Taxpayer Services ($100 million), Operations Support ($21.9 million) and Business Systems Modernization ($150 million).

MISSION STATEMENT

Maintain a strong economy by promoting conditions that enable equitable and sustainable economic growth at home and abroad, combating threats to, and protecting the integrity of the financial system, and managing the U.S. Government's finances and resources effectively.

OVERVIEW OF REQUEST

The Budget requests $16.3 billion in base discretionary resources for the Department of the Treasury's domestic programs, a $2.1 billion or 15 percent increase from the FY 2023 enacted level.

- Improves Taxpayer Experience and Supports a Fair Tax System. The Inflation Reduction Act addressed long-standing IRS funding deficiencies by providing $79.4 billion in stable, long-term funding through 2031 to improve tax compliance by finally pursuing wealthy and corporate tax evaders who too often avoid paying taxes owed and improving service for the hundreds of millions of Americans who pay what they owe. The funding will allow the IRS to significantly improve customer service, modernize decades-old technology, infrastructure, administer new clean energy tax credits, and rebuild the administrative capacity of the agency. To realize these goals and support timely and robust implementation of the important tax provisions in the Inflation Reduction Act, annual discretionary appropriations are vital to maintain current services and allow the IRS to utilize the long-term funding for transformative modernization. To ensure that taxpayers receive the highest quality customer service and that all Americans are treated fairly by the U.S. tax system, the Budget provides a total of $14.1 billion for the IRS, $1.8 billion (15 percent) above the 2023 enacted level. This includes an increase of $642 million to improve the taxpayer experience and expand customer service outreach to underserved communities and all taxpayers. The Budget also provides $290 million for IRS Business Systems Modernization, which did not receive annual funding in 2023, to continue and accelerate the development of new digital tools to enable better communication between taxpayers and the IRS. In addition to annual discretionary funding, the Budget proposes to maintain deficit reducing IRA-funded initiatives to combat wealthy and corporate tax evasion in 2032 and beyond. This proposal builds on decades of analysis demonstrating that program integrity investments to enforce existing tax laws increase revenues in a progressive way by closing the tax gap—the difference between taxes owed and taxes paid.
- Expands Access to Credit to Underserved Communities. The Budget provides $341 million for the Community Development Financial Institutions (CDFI) Fund, an increase of $17 million (5 percent) above the 2023 enacted level, which provides historically underserved and often low-income communities access to

credit, capital, and financial support to grow businesses, increase affordable housing, and reinforce healthy neighborhood development. To better address the shortage of long-term affordable credit for development projects in disadvantaged communities and unlock up to $500 million in financing support, the Budget also includes a $10 million subsidy for the CDFI Fund's Bond Guarantee Program.

- Increases Corporate Transparency and Safeguards the Financial System. Treasury plays a leading role in monitoring and disrupting corruption, money laundering, terrorist financing, and the use of the financial system by malicious actors domestically and abroad, including as part of the Administration's response to Russian aggression against Ukraine. The Budget provides $244 million to the Office of Terrorism and Financial Intelligence (TFI), $28 million above the 2023 enacted level, to expand Treasury's capacity to provide financial intelligence and conduct sanctions-related economic analysis while continuing to modernize the sanctions process. The Budget also provides $229 million for the Financial Crimes Enforcement Network (FinCEN), $39 million above the 2023 enacted level, to support the launch of the Beneficial Ownership Secure System and investment in the Treasury offices charged with closing financial reporting loopholes that allow illicit actors to evade scrutiny, mask their dealings, and undermine corporate accountability.
- Strengthens Enterprise Cybersecurity. The Budget provides $215 million, an increase of $115 million above the 2023 enacted level, to protect and defend sensitive agency systems and information, including those designated as high-value assets. The Budget increases centralized funding to strengthen Treasury's overall cybersecurity efforts and continue the implementation of a Zero Trust Architecture. These investments would protect Treasury systems from future attacks.
- Restores Critical Agency Capacity. The Budget provides $332 million for Treasury's Departmental Offices, a 21 percent increase over the 2023 enacted level, to restore staffing levels for Treasury's core policy offices to 2016 levels and support Treasury's expanding role in promoting investment security and advancing equitable growth. The increase in funding would also support Treasury's Climate Hub and establish a climate-related technical support center to conduct assessments of climate-related risks across Government programs. The Budget builds institutional capacity to support Treasury-wide coordination of program evaluation and expand engagement with historically underrepresented and underserved groups to advance equity across all Treasury programs.

Fiscal Year Comparison of Full-Time Equivalent (FTE) Staffing (Direct and Reimbursable)

Appropriation[1]	2022 Actual Direct	2022 Actual Reimb.	2022 Actual Total	2023 Enacted Direct	2023 Enacted Reimb.	2023 Enacted Total	2024 President's Budget Direct	2024 President's Budget Reimb.	2024 President's Budget Total
Departmental Offices Salaries and Expenses[2]	779	38	**817**	837	41	**878**	991	41	**1,032**
DO-IRA (non-add)	-	-	**-**	*29*	-	***29***	*45*	-	***45***
Terrorism and Financial Intelligence	583	32	**615**	613	32	**645**	685	32	**717**
Cybersecurity Enhancement	7	-	**7**	30	-	**30**	53	-	**53**
Office of Inspector General	190	-	**190**	210	-	**210**	210	-	**210**
Treasury Inspector General for Tax Administration	702	2	**704**	735	2	**737**	742	2	**744**
TIGTA-IRA (non-add)	-	-	**-**	*59*	-	***59***	*129*	-	***129***
Special Inspector General for TARP	43	-	**43**	35	-	**35**	12	-	**12**
Special Inspector General for Pandemic Recovery	53	-	**53**	55	-	**55**	55	-	**55**
Community Development Financial Institutions Fund	71	-	**71**	89	-	**89**	91	-	**91**
Financial Crimes Enforcement Network	285	1	**286**	289	3	**292**	350	3	**353**
Alcohol and Tobacco Tax and Trade Bureau	479	12	**491**	548	11	**559**	551	11	**562**
Bureau of the Fiscal Service[3]	1,854	11	**1,865**	1,832	9	**1,841**	1,852	9	**1,861**
Internal Revenue Service[4]	79,071	521	**79,592**	83,310	698	**84,008**	97,794	734	**98,528**
IRS-IRA (non-add)[5,6]	-	-	**-**	*10,021*	-	***10,021***	*19,545*	-	***19,545***
Subtotal, Treasury Appropriated Level	**84,117**	**617**	**84,734**	**88,583**	**796**	**89,379**	**103,386**	**832**	**104,218**
Office of Financial Stability (Administrative Account)	7	-	**7**	5	-	**5**	1	-	**1**
Office of Recovery Programs[7]	106	-	**106**	64	-	**64**	138	.	**138**
Community Development Financial Institutions Fund, Emergency Support	9	-	**9**	9	-	**9**	9	-	**9**
Capital Magnet Fund	5	-	**5**	9	-	**9**	9	-	**9**
Office of Financial Research	119	-	**119**	148	-	**148**	184	-	**184**
Financial Stability Oversight Council	17	-	**17**	34	-	**34**	44	-	**44**
Treasury Franchise Fund	-	2,047	**2,047**	-	2,185	**2,185**	-	2,233	**2,233**
Bureau of Engraving and Printing	-	1,848	**1,848**	-	1,873	**1,873**	-	1,888	**1,888**
United States Mint	-	1,587	**1,587**	-	1,705	**1,705**	-	1,705	**1,705**
Office of the Comptroller of the Currency	-	3,481	**3,481**	-	3,555	**3,555**	-	3,555	**3,555**
Terrorism Insurance Program	8	-	**8**	10	-	**10**	13	-	**13**
IRS Private Collection Agent Program[4]	414	-	**414**	469	-	**469**	469	-	**469**
Subtotal, Treasury Non-Appropriated Level	**685**	**8,963**	**9,648**	**748**	**9,318**	**10,066**	**867**	**9,381**	**10,248**
Total, Treasury	**84,802**	**9,580**	**94,382**	**89,331**	**10,114**	**99,445**	**104,253**	**10,213**	**114,466**

1/ Presentation for appropriated accounts include FTE funded with annual appropriated resources, user fees, carryover, multiyear authority, IRA, and supplemental funding.

2/ Departmental Offices presentation include Direct FTE funded for from the Social Impact Demonstration Projects account.

3/ Direct FTE for the Bureaus of the Fiscal Service include FTE funded from the Debt Collection Fund.

4/ The FY 2023 and 2024 FTEs may differ from numbers reported in the 2024 Budget Appendix and the FY 2023 Operating Plan due to timing of legislative actions and agency decisions.

5/ 85 percent of the IRA funded estimated FTE levels support non-Enforcement activities. FY 2023 IRA Funding Usage includes amounts for Direct eFile ($15 million), Taxpayer Services ($838 million and 7,394 FTE), Enforcement ($372 million and 1,543 FTE), Operations Support ($1,018 million and 727 FTE), and Business Systems Modernization ($580 million and 357 FTE).

6/ 63 percent of the IRA funded estimated FTE levels support non-Enforcement activities. FY 2024 IRA Funding Usage includes amounts for Energy Security tax credits ($180 million and 1,810 FTE), Taxpayer Services ($816 million and 6,489 FTE), Enforcement ($1,408 million and 7,239 FTE), Operations Support ($2,380 million and 3,810 FTE), and Business Systems Modernization ($1,034 million and 197 FTE).

7/ The Office of Recovery Programs presentation include FTE related to Transportation Services, Payroll Support Program, Air Carrier Worker Support & Pandemic Relief for Aviation Workers, Economic Stabilization Program, Coronavirus Relief Fund, Homeowner Assistance Fund, Emergency Rental Assistance, State Small Business Credit Initiative (SSBCI) and Emergency Capital Investment Program.

Summary of FY 2024 Increases and Decreases

(Dollars in Thousands)

	DO	CFIUS[1]	TFI	Cyber	DSCIP	OIG	TIGTA	SIGTARP[2]	SIGPR	CDFI	FinCEN	TTB	FS	IRS	Total
FY 2023 Enacted	**$273,882**		**$216,059**	**$100,000**	**$11,118**	**$48,878**	**$174,250**	**$9,000**	**$12,000**	**$324,000**	**$190,193**	**$148,863**	**$372,485**	**$12,319,054**	**$14,199,782**
Maintaining Current Levels (MCLs)	$10,354	$0	$7,650	$298	$0	$2,091	$7,869	$0	$529	$1,204	$5,568	$5,770	$14,559	$536,665	$592,556
Pay Annualization	$1,812		$1,237	67		$414	$1,629		$107	$187	$655	$1,038	$2,642	$106,749	$116,537
Pay Raise	$6,216		$4,243	231		$1,419	$5,588		$368	$642	$2,248	$3,560	$9,062	$370,725	$404,303
Non-Pay	$2,326		$2,170			$258	$652		$54	$375	$2,664	$1,172	$2,855	$59,190	$71,716
Non-Recurring Costs	(10,000)		($10,655)	($93,150)	($11,118)										($124,923)
Efficiency Savings/Reinvestment															$0
Other Adjustment/Initiative Annualization	$11,136		$7,641			(1,789)								281,470	$298,458
Adjustments to Base	**$11,490**	**$0**	**$4,636**	**($92,852)**	**($11,118)**	**$302**	**$7,869**	**$0**	**$529**	**$1,204**	**$5,568**	**$5,770**	**$14,559**	**$818,135**	**$766,091**
FY 2024 Base	**$285,372**	**$0**	**$220,695**	**$7,148**	**$0**	**$49,180**	**$182,119**	**$9,000**	**$12,529**	**$325,204**	**$195,761**	**$154,633**	**$387,044**	**$13,137,189**	**$14,965,873**
Program Decreases								($9,000)		($2,000)					($11,000)
CFIUS Fund Appropriation		$21,000													$21,000
CFIUS User Fees		($21,000)													($21,000)
Program Increases/Reinvestments	$46,827		$23,305	$207,852	$30,881		5,249		3,471	18,274	$33,147	$971	$12,219	$999,396	$1,381,592
Subtotal, Program Changes	**$46,827**	**$0**	**$23,305**	**$207,852**	**$30,881**	**$0**	**$5,249**	**($9,000)**	**$3,471**	**$16,274**	**$33,147**	**$971**	**$12,219**	**$999,396**	**$1,370,592**
FY 2024 President's Budget funded from discretionary resources	**$332,199**	**$0**	**$244,000**	**$215,000**	**$30,881**	**$49,180**	**$187,368**	**$0**	**$16,000**	**$341,478**	**$228,908**	**$155,604**	**$399,263**	**$14,136,585**	**$16,336,466**

1/ CFIUS Fund enacted levels are net appropriations including user fees.

2/ SIGTARP has no Budget Adjustments table for the FY 2024 Budget. The program is sunsetting in FY 2024 and using remaining no-year funds for an orderly shutdown.

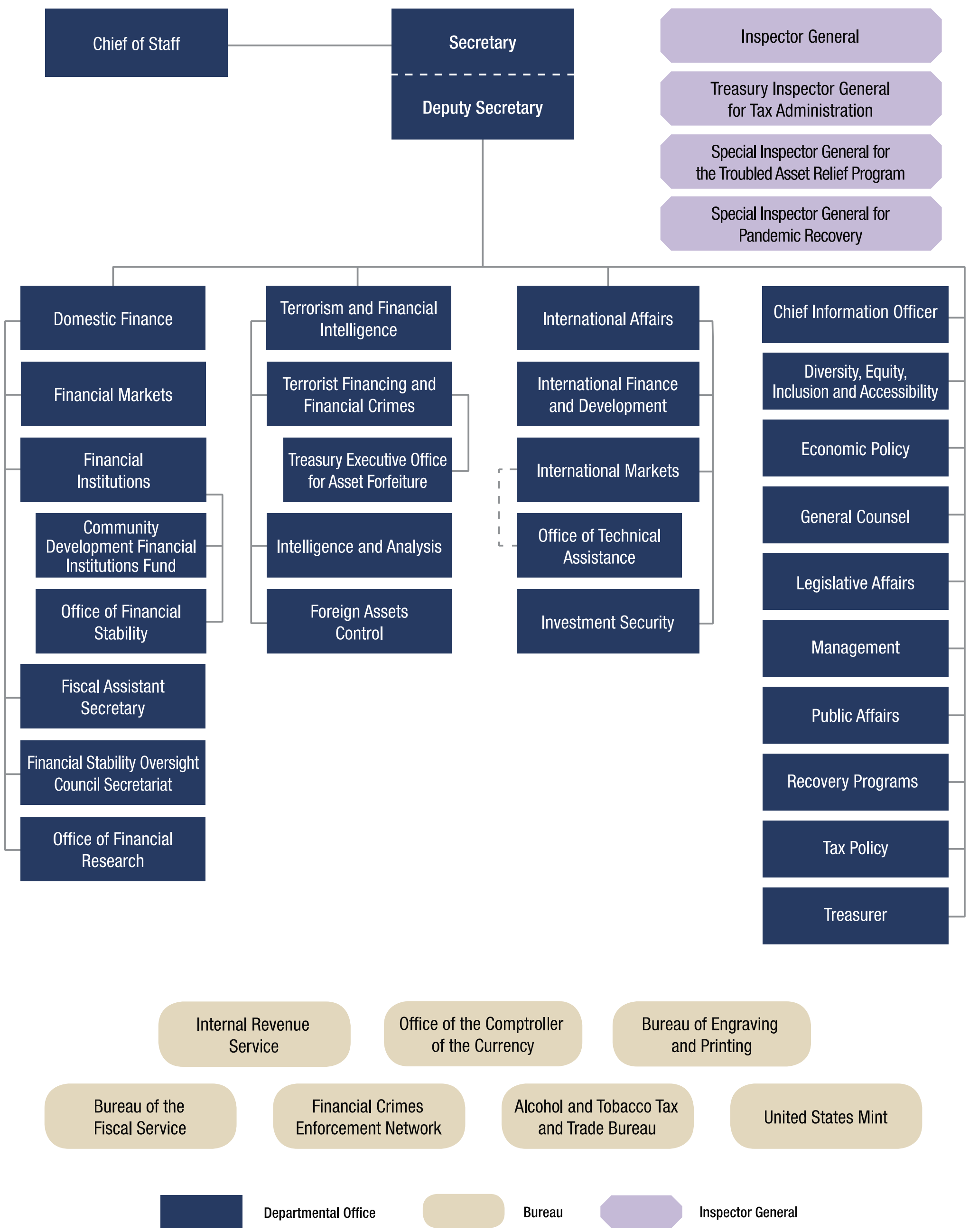
FY 2024 President's Budget by Strategic Goal

Dollars in Thousands

Treasury Goal/Objective	Promote Equitable Economic Growth and Recovery	Enhance National Security	Protect Financial Stability and Resiliency	Combat Climate Change	Modernize Treasury Operations	Total
Management & Financial	$766,057	$796,455	$167,891	$77,914	$391,565	$2,199,881
Departmental Offices Salaries and Expenses	$121,417	$73,141	$46,231	$32,648	$58,762	$332,199
Committee on Foreign Investment in the United States Fund		$21,000				$21,000
CFIUS Fees		($21,000)				($21,000)
Office of Terrorism and Financial Intelligence		$244,000				$244,000
Cybersecurity Enhancement Account		$215,000				$215,000
Treasury Capital Investments and Modernization Fund				$5,147	$25,734	$30,881
Office of Inspector General	$45,442	$1,918		$492	$1,328	$49,180
Treasury Inspector General for Tax Administration	$140,713	$8,619	$8,057	$2,998	$26,981	$187,368
Special Inspector General for Pandemic Recovery	$16,000					$16,000
Community Development Financial Institutions Fund	$304,179				$37,299	$341,478
Financial Crimes Enforcement Network		$171,681	$29,758	$4,578	$22,891	$228,908
Alcohol and Tobacco Tax and Trade Bureau	$134,313	$2,243		$110	$18,938	$155,604
Bureau of the Fiscal Service	$3,993	$79,853	$83,845	$31,941	$199,632	$399,263
Tax Administration	$13,986,394			$150,191		$14,136,585
IRS Taxpayer Services	$3,347,216			$75,233		$3,422,449
IRS Enforcement	$5,892,372			$12,069		$5,904,441
IRS Operations Support	$4,457,187			$62,889		$4,520,076
Business Systems Modernization	$289,619					$289,619
Total, Treasury	**$14,752,450**	**$796,455**	**$167,891**	**$228,105**	**$391,565**	**$16,336,466**

ORGANIZATION

Treasury is organized into the Departmental Offices, seven bureaus, and four offices of the Inspectors General. The Departmental Offices are primarily responsible for headquarters operations and formulating policy, while the bureaus are the operating units of the organization.



DEPARTMENTAL OFFICES

Domestic Finance works to support equitable and sustainable economic growth and financial stability through policies that increase the resilience of financial institutions and markets, and which increase access to credit for small businesses and low-to-moderate income communities. It focuses on Treasury Department activities in the areas of financial institutions, federal and municipal debt finance, financial regulation, and capital markets.

Terrorism and Financial Intelligence uses unique policy, intelligence, enforcement, and regulatory tools and authorities to disrupt and disable terrorists, criminals, and other national security threats while also safeguarding the financial system against abuse by illicit actors.

International Affairs protects economic prosperity and national security by working to foster a most favorable external environment for sustained jobs and economic growth.

Tax Policy develops and implements tax policies and programs, reviews regulations and rulings to administer the Internal Revenue Code, and provides revenue estimates for proposals and receipt estimates for the President's Budget.

Economic Policy reports on economic developments and assists in the determination of appropriate economic policies. It also reviews and analyzes domestic economic issues and financial market developments.

The Treasurer of the United States serves as a principal advisor to the Secretary, including coordinating Tribal relations across the Department, directly overseeing the U.S. Mint, the Bureau of Engraving and Printing, and liaising with the Federal Reserve.

The Office of Management and Chief Financial Officer manages the Department's financial resources and oversees Treasury-wide programs, including human capital, organizational performance, enterprise risk management, information technology, acquisition, and data.

The Office of Recovery Programs principally focuses on efficiently administering Treasury's programs to support an equitable and swift recovery from the economic challenges precipitated by the COVID-19 pandemic.

The Office of Diversity, Equity, Inclusion, and Accessibility serves as a center of excellence to modernize the Department's overall diversity, equity, inclusion, and accessibility (DEIA) strategy, and drives cohesive implementation and accountability across the Department.

Other offices within Departmental Offices include General Counsel, Legislative Affairs, and Public Affairs.

INSPECTORS GENERAL

Four Inspectors General—the Office of Inspector General (OIG), the Treasury Inspector General for Tax Administration (TIGTA), the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and the Special Inspector General for Pandemic Recovery—provide independent audits, investigations, and oversight of Treasury and our programs.

BUREAUS

The Alcohol and Tobacco Tax and Trade Bureau (TTB) collects federal excise taxes on alcohol, tobacco, firearms, and ammunition, while enforcing and administering laws covering the production, use, and distribution of alcohol and tobacco products.

The Bureau of Engraving and Printing (BEP) develops and produces U.S. currency notes, as well as secure documents for government use.

The Financial Crimes Enforcement Network (FinCEN) safeguards the financial system from illicit use, combats money laundering and its related crimes—including terrorism—and promotes national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence.

The Bureau of the Fiscal Service (Fiscal Service) promotes financial integrity and operational efficiency by operating the U.S. government's collections and deposit systems and providing central payment services to the American public on behalf of federal agencies. It also manages the collection of delinquent debt, borrows funds needed to operate the U.S. government through the sale of marketable and special-purpose U.S. Treasury securities, and accounts for the resulting debt. Additionally, it delivers administrative shared services to federal agencies and conducts government-wide accounting and reporting.

The Internal Revenue Service (IRS) determines, assesses, and collects U.S. tax revenue and helps taxpayers understand their tax responsibilities, while aiming to prevent tax-related fraud.

The United States Mint (U.S. Mint) designs, mints, and issues U.S. circulating coins, as well as numismatic and bullion coins and strikes, Congressional gold medals and other medals of national significance. It maintains physical custody and protection of most of the nation's gold and silver assets.

The Office of the Comptroller of the Currency (OCC) charters, regulates, and supervises national banks and federal savings associations, as well as federal branches and agencies of foreign banks, to ensure that they operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations.

Treasury Strategic Management

Framework

The Government Performance and Results Act (GPRA) and the *GPRA Modernization Act of 2010* require agencies to identify goals, report progress against targets, and conduct data-driven reviews. These practices allow stakeholders within and outside the organization to assess the organization's health and impact, while promoting effective decision-making, and improving the execution of its strategies and resource allocations. In this spirit, we developed a framework using best-in-class organizational performance practices to help achieve our strategic goals and objectives.

Organizational Performance Review Cycle

Our organizational performance reviews provide a regular forum for open dialogue and coordination between the bureaus and the Departmental Offices' management and leadership. We bring together different perspectives to set and align priorities, identify, and solve problems, review agency performance, and drive results. We review agency results quarterly to measure progress on our goals. Also, as required by the *Program Management Improvement Accountability Act* (PMIAA), we integrate portfolio reviews of programs within our performance review cycle activities. Through our Strategic Objective Annual Review (SOAR) process, we conduct an annual exercise to validate our supporting objectives as well as analyze performance results across Treasury components to identify a set of strategic objectives as priority focus areas for the following year. We also leverage our strategic management framework, including the SOAR, to discuss the agency's evidence building efforts and learning agenda.

At designated points throughout the fiscal year, we assess annual priorities, evaluate progress against goals and objectives, discuss new strategies to improve program outcomes, and align our available funding to maximize results for the agency. We describe our process and framework for managing to our strategic objectives and performance outcomes in Table 1 on the following page.

TABLE 1: TREASURY ANNUAL ORGANIZATIONAL PERFORMANCE REVIEW CYCLE

Sessions	Fall (October – November)	Winter (February – March)	Spring (April – May)	Summer (June – July)
Focus	**Bureau Organizational Health & Priorities**	**Strategic Objective Annual Review (SOAR)**	**Cross-cutting Risks/Challenges; Critical Programs/Projects**	**Budget; "Vitals" Check for Critical Program and Projects**
Chair	Deputy Secretary, Assistant Secretary for Management/Performance Improvement Officer (ASM/PIO); Strategic Goal Leads	Strategic Goal Leads	ASM/PIO	ASM/PIO and Budget Officer, Strategic Goal Leads
Goals/Outcomes	• Review prior year's performance at the bureau/office level • Recognize successes • Set priorities for year ahead • Identify shortfalls/risks; accountability; • Assess organizational health	• Evaluate cross-agency progress toward strategic objectives (including progress of critical programs and projects) • Identify/validate Treasury priorities and/or strategic shifts • Outline potential topics for annual review with OMB	• Issue-based sessions: Dive deep on cross-cutting issues identified in the SOAR, identify near-term improvement strategies • Program-based sessions: check in on critical programs/projects identified in the SOAR that need Treasury Leadership attention	• Align funding to performance impacts and risk mitigation • Strengthen IT acquisition, budgeting, and accountability, budgeting, and accountability • Check in (vitals check) on critical program/project health and update list of critical programs/projects

FY 2022 – 2026 Strategic Framework

The strategic framework comprises the Department's FY 2022 – 2026 strategic goals and objectives and Agency Priority Goals (APGs), which align to specific objectives. All bureaus and offices align their programs and performance within this framework.

Department of the Treasury > Strategic Plan 2022–2026

Strategic Plan Crosswalk

Goal	Objective	Treasury leads	Treasury supports	Re-engaging Allies	Climate Change	Equity	Customer Experience
Goal 1 Promote Equitable Economic Growth and Recovery	**Tax Administration and Policy** Enhance tax compliance and service; improve tax policy design.	IRS, TP	TTB, EP	◎	◎	◎	◎
	Global Economic Leadership Generate sustainable and inclusive global economic growth.	IA	EP, TP, TTB	◎	◎	◎	
	Economically Resilient Communities Promote equitable financial recovery and growth through support and flow of capital to small businesses, households, and underserved communities.	DF, ORP	TTB, OSDBU, ASM, Fiscal, EP		◎	◎	◎
	Resilient Housing Market Together with HUD and other federal agencies, promote a stable and resilient housing market that expands fair and equitable access to homeownership and affordable rental opportunities and protects taxpayers.	DF	EP, TP, ORP			◎	◎
Goal 2 Enhance National Security	**Cyber Resiliency of Financial Systems and Institutions** Harden assets and systems of Treasury and the broader financial system to promote financial system resiliency.	ASM, DF	All Bureaus/ Offices	◎			◎
	Economic Measures to Advance National Security Enhance and protect national security through the application of targeted financial measures and review of certain foreign investments.	TFI, IA	FinCEN	◎			◎
	Modernize Sanctions Regime Modernize the development, implementation, enforcement, and maintenance of U.S. sanctions to ensure that sanctions remain a streamlined and effective foreign policy and national security tool.	TFI	IA	◎			◎
	Transparency in the Financial System Increase transparency in the domestic and international financial system.	TFI/ FinCEN	IA, IRS	◎	◎		◎
Goal 3 Protect Financial Stability and Resiliency	**Financial System Vulnerabilities** Identify and address current and emerging vulnerabilities to the stability of the U.S. and global financial systems to support more sustainable and equitable growth.	DF	IA, EP, OCC	◎	◎	◎	
	Resilient Treasury and Municipal Securities Markets Improve the resilience of critical government securities markets to minimize borrowing costs over time and to support the critical roles that these safe assets play in the global financial system.	DF	EP		◎	◎	◎
	Financial Innovation Encourage responsible financial sector innovation.	DF	IA, TFI, FinCEN, Fiscal, Mint, BEP, IRS, TP, OCC	◎	◎	◎	◎
Goal 4 Combat Climate Change	**Global Climate Commitment and Leadership** Use U.S leadership and commitment to significantly enhance global action and mobilize and align financial flows to combat climate change and enhance resilience within the new climate environment.	IA	EP, DF, TP	◎	◎	◎	
	Climate Incentives and Investment Create and promote incentives and policies for the private sector to invest in climate-friendly and resilient projects and activities.	EP	DF, TP, IA, OCC	◎	◎	◎	
	Climate-Related Financial Risks Identify and mitigate key sources of climate-related financial risks to macroeconomy, financial system, investors, governments including federal and subnational exposures, and households, understanding that risks may have disparate impacts on disadvantaged communities.	DF	EP, ASM, TP, IA, OCC	◎	◎	◎	
	Sustainable Treasury Operations Improve Treasury's overall environmental and energy sustainability and invest in Treasury Bureaus' adaptation and resiliency efforts to address climate change impacts on operations and services.	ASM	All Bureaus/ Offices		◎	◎	◎
Goal 5 Modernize Treasury Operations	**Recruit and Retain a Diverse and Inclusive Workforce** Recruit and retain a diverse workforce that represents communities that Treasury serves.	ASM	All Bureaus/ Offices			◎	◎
	Future Work Routines Transform the Department's work routines to support changing mission and workforce needs.	ASM	All Bureaus/ Offices		◎	◎	◎
	Better Use of Data Increase timely access to and use of quality data and other types of evidence to inform decision-making.	ASM	All Bureaus/ Offices		◎	◎	◎
	Customer Experience Practices Mature and embed strong customer experience practices across the Department, establishing Treasury's reputation for consistently positive experiences.	ASM	All Bureaus/ Offices			◎	◎

FY 2022 – 2023 AGENCY PRIORITY GOALS

In addition to the goals and objectives in the Department's Strategic Plan, Treasury identifies Agency Priority Goals (APGs), which are priorities that the Department wants to accomplish within two years. The Department publicly reports APG progress quarterly on Performance.gov and tracks progress during quarterly reviews.

Treasury's FY 2022 – 2023 APGs are outlined below, and progress updates can be found on Performance.gov and in the subsequent Treasury budget account chapters. In FY 2023, Treasury will identify a new set of APGs for FY 2024 – 2025.

FY 2022–2023 APG: Improving the Payment Experience
Aligned to Treasury Strategic Objective 3.3: Financial Innovation
See Internal Revenue Service (IRS) and Bureau of Fiscal Service budget chapters and Performance.gov for progress updates

Create a modern, seamless, inclusive, and secure Federal payment experience for the public that meets customer needs while reducing costs, expanding financial inclusion, and improving climate sustainability of Treasury's operations. By September 30,2023, Treasury will:

- Increase the electronic payment rate for Treasury-disbursed payments to 96.56% by the end of FY 2023, compared with 96.18% in FY 2021; and
    - Achieving this increased electronic payment rate would lead to an estimated reduction of 4.8 million checks.
- Increase the electronic payment rate for IRS individual tax refunds to 81.00% by the end of FY 2023, compared with 80.34% in FY 2021.

FY 2022–2023 APG: Increasing Treasury's Sustainability
Aligned to Treasury Strategic Objective 4.4 Sustainable Treasury Operations
See Departmental Offices Salaries and Expenses budget chapter and Performance.gov for progress updates

Model best practices in sustainable operations, supporting the Department's key role in the whole-of-government effort to manage climate-related risks and enable the transition to a net-zero economy. By September 30, 2023, the Department of the Treasury will:

- Transition Treasury's Fleet to Electric Vehicles (EV): Convert 33%[1] of the vehicles to EVs for those vehicles with lease terms needing renewal; and
- Implement a Climate Literacy Program: Deliver educational products to 100% of Treasury's target audience of executives and key staff who are needed to support and sustain Treasury's climate change and sustainability priority initiatives (e.g., facility and fleet operations, budget and finance, legal counsel, and procurement).

FY 2022–2023 APG: Promote Transparency in the Financial System
Aligned to Treasury Strategic Objective 2.4 Transparency in the Financial System
See Terrorism and Financial Intelligence (TFI) and Financial Crimes Enforcement Network (FinCEN) budget chapters and Performance.gov for progress updates

Establish a robust regulatory framework to ensure timely information on the highest priority threats to combat the misuse of companies by criminals. By September 30, 2023, the Department of the Treasury will strengthen and adapt the Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) framework by publishing and updating regulatory requirements and creating a solution that will securely collect, store, and manage beneficial ownership information for use by law enforcement and other authorized partners.

[1] In May 2022, the target "Convert 37% of the vehicles to EVs" was revised to "Convert 33% of the vehicles to EVs."

Performance Overview

We carry great responsibility for fostering prosperity and security for the American people. We play a critical role both in the U.S. economy and globally to meet the needs of the nation. The *Treasury Strategic Plan 2022 – 2026* charts a course to guide our responsibilities to the public. The following performance overview reflects our accomplishments and challenges in the goal areas of strengthening equitable economic growth, enhancing national security, protecting financial stability, combatting climate change, and modernizing our operations in service to the country.

Goal 1: Promote Equitable Economic Growth and Recovery

Treasury plays a central role in addressing systemic issues in the financial system and strengthening economic resiliency for all Americans, while taking the lead in partnering with foreign countries to promote global recovery and sustainable growth. We have four strategic objectives under the goal of promoting equitable economic growth and recovery.

Our first strategic objective—assessed as an area of noteworthy progress and focus area for improvement in our FY 2022 SOAR process—concentrates on the fair and impartial administration of the tax code through a more efficient tax system. Our second strategic objective under this goal relates to global economic leadership, aiming to restore U.S. leadership in multilateral forums and foster cooperation with our international partners to strengthen the global economy, while promoting sustainable and inclusive growth. Our third strategic objective—assessed as an area of noteworthy progress in our FY 2022 SOAR process—focuses on promoting equitable financial recovery and addressing systemic inequities to prepare the country to be more resilient for future challenges. Lastly, our fourth strategic objective under this goal relates to our partnership with the Department of Housing and Urban Development (HUD) and other federal agencies to develop a stable and resilient housing market.

Tax Administration and Policy

In FY 2022, the Office of Tax Policy (OTP) published guidance and regulations to clarify the U.S. tax code and improve taxpayer compliance. Notable regulation changes include:

- guidance implementing the *No Surprises Act*, providing important protections for health plan participants from surprise medical bills;
- proposed regulations addressing the "family glitch" to extend eligibility to families for the *Affordable Care Act*'s premium tax credit; and
- finalized regulations and a sub-regulatory guidance providing needed certainty for taxpayers regarding the availability of foreign tax credits for certain Puerto Rico taxes.

From July 2021 to December 2021, the OTP worked with IRS colleagues to disburse more than $94 billion in monthly Child Tax Credit payments to families, with over 61 million children receiving the benefit. In addition to helping implement the *American Rescue Plan Act of 2021* (ARP), the OTP staff collaborated with OMB and Congress to influence passage of the *Inflation Reduction Act* (IRA).

The IRS recognizes the importance of identifying and addressing the most egregious non-compliant taxpayers. During FY 2022, the IRS continued to detect and pursue high-income nonfilers to maintain confidence in the tax system.

In FY 2022, the IRS further enabled customer callback technology on 15 additional phone applications for a total of 31 deployments in its call centers. The IRS also expanded its Taxpayer Digital Communications functionality, which allows taxpayers to securely exchange information and messages with the IRS. In FY 2022, the IRS made large strides to provide quality and accessible services by enhancing the taxpayer experience through developing and deploying artificial intelligence powered voice and chat bots, as well as new online account features allowing individual taxpayers to view their personalized tax information and transact with the IRS via self-service.

The IRS's Integrated Modernization Business Plan, released in 2019 and revised in 2022, builds on significant achievements and reflects an expanded view of requirements needed to modernize the IRS technology environment. The IRS made considerable progress in executing on deliverables throughout the first three years of the modernization plan, delivering more than 50 capabilities in FY 2022.

The IRS has begun implementing requirements under the IRA, which gives the IRS the resources to ensure that it enforces tax laws fairly and delivers quality level of taxpayer services.

Further, in support of fair and impartial administration of the tax code, the TTB continues to modernize tax administration to improve taxpayer compliance by incorporating data analytics to quickly detect and address missed filings to ensure fair competition. In FY 2022, the TTB implemented a new import claims refund program to ensure U.S. importers have access to the tax benefits provided under the new *Craft Beverage Modernization Act* provisions taking effect on January 1, 2023. This new program will be the first major release associated with the IT modernization effort—called myTTB—which aims to create an integrated online filing experience for TTB taxpayers.

Global Economic Leadership

Over the past two years, the global economy faced two major disruptions related to the Coronavirus Disease of 2019 (COVID-19) pandemic and Russia's ongoing war in Ukraine. The Office of International Affairs (IA) is leading work with our partners to mitigate the impact from Russia's war in Ukraine on energy and food security.

The IA bolstered our role in the global community to tackle urgent challenges—including global shortages in key goods, as well as volatility in food, fuel, and fertilizer prices—working to improve the overall global economy. In FY 2022, we also took efforts to position multilateral development banks to better address a growing number of global challenges, including climate change, pandemics, and international conflict.

As part of an overall global effort to tackle food insecurity, the U.S. committed around $10 billion in FY 2022 to deliver food to those who are facing starvation and to build long-term resilience to food shortages. In May 2022, we worked closely with International Financial Institutions (IFI) to issue and commit to implementing the *IFI Action Plan to Address Food Insecurity*.

In FY 2022, we continued to modernize our trade relationships and supply chains to make them more resilient to global shocks, including impacts from the weaponization of trade as a tool of geopolitical coercion. Strengthening trade relationships with U.S. allies via "friend-shoring" is our approach to advancing trade that is free, fair, and secure.

Separately, in the spirit of global economic leadership, we generated a historic agreement among 137 countries to restabilize the international tax system by reallocating taxing rights and establishing a global minimum tax. We also successfully completed the first U.S. tax treaty negotiations since the *Tax Cuts and Jobs Act* by concluding negotiations with Croatia on a new tax treaty.

Economically Resilient Communities

We are not only addressing the impact of COVID-19, but also addressing systemic inequities to strengthen the economy and prepare the country to be more resilient for future challenges. The Office of Recovery Programs (ORP) significantly increased capacity over the past year to fulfill its mission to lead our implementation of pandemic recovery programs, including nearly $420 billion from the ARP. Over multiple fiscal years, ORP has built a strong foundation to serve over 35,000 government recipients across the nation, through ten programs that support economically disadvantaged small businesses, households, communities, and individuals.

We deployed more than $18 billion to support mission-driven lending and investments for low- and moderate-income borrowers, small businesses, communities of color, and rural areas. We supported pandemic response through the $350 billion State and Local Fiscal Recovery Fund (SLFRF)—the first program in federal history to provide fiscal relief to states, localities, and tribes regardless of size. As of FY 2022, recipients reported committing $16 billion to address water, sewer, and broadband infrastructure, and $4.8 billion to assist small businesses.

TTB facilitated small business growth and innovation by delivering timely service to U.S. breweries, wineries, and distilleries, and issued more than 90 percent of new permits and alcohol beverage formula and label approvals within targeted service standards.

Fiscal Service's Financial Management Quality Service Management Office (FM QSMO) made significant strides toward establishing its Marketplace for use by federal agencies. Fiscal Service is supporting diversity and equity in the marketplace by being inclusive in vendor outreach, offering consultations to interested vendors, and collaborating with agencies to support equitable selection from diverse providers in the marketplace. The QSMO Marketplace will include standards-based solutions and services from commercial vendors, federal shared service providers, and Fiscal Service centralized services.

Resilient Housing Market

In FY 2022, we deployed a range of tools to support the housing stability of millions of households, including implementing dedicated programs for struggling renters and homeowners, while supporting flexibility in how state and local governments use funds to increase housing supply.

Supporting Tribal Government Communities

The SLFRF program also provided funding for over 3,000 projects and services in Tribal government communities. Tribes utilized SLFRF funds to expand the system of healthcare in Indian Country, to create innovative programs to recover the tribal economy, and to find resilient solutions for inadequate infrastructure.

In FY 2022, the $46 billion Emergency Rental Assistance Program (ERA) made more than seven million unique household payments to renters at risk of eviction, keeping eviction rates on average below pre-pandemic levels. We developed innovative approaches to achieve these goals, including developing a reallocation program to increase utilization of funds, removing potential barriers to eligible individuals receiving rental support, and encouraging ERA grantees to use best practices for eviction prevention.

The $10 billion Homeowner Assistance Fund (HAF) — through a plan review process that prioritized best practices—is using lessons from the Great Recession mortgage crisis to target assistance for borrowers in greatest need, including the leveraging of human-centered design and partnering with other agencies to urge servicers to pause foreclosure on HAF applicants.

Through March 31, 2022, recipients committed more than $12 billion from SLFRF to meet housing needs, including more than $4 billion to support affordable housing development and preservation. We also made targeted enhancements to regulatory flexibility in SLFRF and the Low-Income Housing Tax Credit to support housing production and affordability.

GOAL 1: KEY PERFORMANCE DATA HIGHLIGHTS

Measure (Responsible Bureau/Office)	FY 19	FY 20	FY 21	FY 22	FY 22 Target	Result vs Target
Customer Service Representative Level of Service (CSR LOS) (IRS)[1]	65.4%	53.1%	18.5%	17.4%	30%	Unmet
Timeliness of Critical Individual Filing Season Tax Products (IRS)[2]	92.6%	78.4%	92%	96.4%	89%	Exceeded
Percentage of Permit Applications Processed within Service Standards (TTB)[3]	57.6%	84.1%	92.2%	91.2%	85.0%	Exceeded
Engagement of Partner Countries in Programs – 5 point scale (International Affairs) [4]	3.6	3.3	3.6	3.5	3.6	Unmet
Enterprise Self-Assistance Participation Rate (ESAPR) (IRS)[5]	85.4%	90.6%	92.3%	93.9%	91.0%	Exceeded
Percent of Procurement Dollars Spent on Small Business (Management)[6]	40.4%	45.0%	39.9%	37.6%	39%	Unmet

Explanation of Results

[1]CSR LOS was 17.4 percent which was 41.9 percent below plan of 30 percent. IRS reduced the campus phone staffing to a minimal amount to focus on reducing the paper inventory. Phone Demand through September of 81.3 million was 32 percent lower than prior year of 119.9 million. The Primary Abandoned Call Rate of 18.2 percent is 21 percent lower compared to last year during the same time frame. The IRS will continue to monitor demand in real time and shift staff between telephones and paper processing to address demand. With the receipt of funding from the IRA, the IRS plans to deliver a higher level of service in FY 2023.

[2]Timeliness of Critical Individual Filing Season (CIFS) Tax Products to the Public of 96.4 percent is 8.3 percent above the plan of 89 percent. 81 of 84 CIFS tax products were available to the public timely. Critical tax product timeliness is regarded as tax products that are made available to the public seven calendar days before the official IRS start of the (individual) filing season. To achieve and exceed the target, the IRS prioritized work on the release of critical products, especially forms and instructions, approved overtime, credit, and compensatory time during workdays, weekends, and holidays; and monitored workload planning.

[3]This measure represents the overall rate at which TTB is meeting its annual service standard (75 days for FYs 2019 – 2022) for all original permit applications and registrations. The measure reflects the efficiency and consistency of TTB's permitting process and supports effective communication with industry members regarding TTB's level of service. In FY 2022, TTB issued more than 91 percent of applications within its 75-day service standard, surpassing its 85 percent target. To sustain these improvements, TTB is undertaking process and system enhancements, including an effort to streamline permit application requirements.

[4]Measures the degree to which foreign counterparts are engaging proactively and constructively with OTA advisors, at the working and policy levels. Counterpart engagement is both a key outcome of OTA efforts to structure and execute effective technical assistance projects that support host country ownership. The result for FY 2022 is 3.5, a reduction of 0.1 from FY 2022 target of 3.6.

[5]The Enterprise Self-Assistance Participation Rate of 93.9 percent was 3.2 percent higher than plan of 91.0 percent. In FY 2022 total self-assisted services 1.5 billion was around 29 percent higher than FY 2021 of 1.2 billion, total assisted services of 97.5 million was 0.1 percent lower than FY 2021 of 97.6 million, and total services were 1.6 billion which is around 27 percent higher than prior year of 1.3 billion. Beginning in 2022, ESAPR included Business Masterfile numbers in the installment agreements, OPAs, electronic payments and paper payments for a more inclusive metric.

[6]This goal measures the percentage of procurement dollars obligated toward small businesses (or Treasury's overall small business goal) and highlights Treasury's efforts to ensure that small businesses have the maximum practicable opportunity to provide goods and services to the federal government. Treasury fell short of meeting its FY 2022 small business goal of 39 percent. However, Treasury overperformed and exceeded the socio-economic small business goals.

Goal 2: Enhance National Security

We must continue to apply national security tools and strengthen bilateral and multilateral partnerships to confront the expanding array of transnational threats, issues contributing to the instability of weak states, and the malicious use of emerging technologies by adversaries.

Under this goal, our first strategic objective centers on hardening the U.S. and global financial system and our infrastructure against cyber incidents. Our second strategic objective—assessed as an area of noteworthy progress and focus area for improvement in our FY 2022 SOAR process—is to strengthen U.S. national security through a secure economy, by applying our authorities and tools to ensure that we address threats to U.S. national security and strategic interests posed by criminal elements, foreign adversaries, and certain foreign investments.

The third strategic objective focuses on modernizing sanctions as a policy tool to effectively address emerging threats, strengthening use of sanctions across the Department, and deploying the most updated analytic and collaborative tools. Our fourth strategic objective—assessed as a focus area for improvement in our FY 2022 SOAR process—emphasizes the integrity of markets and the global financial framework through increased transparency in domestic and international financial systems to aid the detection of illicit financial activity.

Cyber Resiliency of Financial Systems and Institutions

As declared in Presidential Policy Directive 21, *Critical Infrastructure Security and Resilience,* Treasury is the Sector Risk Management Agency for the financial services sector and is responsible for advancing coordinated national efforts to strengthen and maintain secure, functioning, and resilient critical infrastructure.

In FY 2022, we took steps to strengthen cyber resiliency, including communicating to the sector indicators of: (1) compromise, (2) activities of malicious cyber actors, (3) third-party risks, and (4) possible mitigation and remediation efforts. Furthermore, we streamlined our incident coordination processes to quickly inform our leadership of cybersecurity impacts to our networks and to the financial sector. We also continued to perform routine vulnerability and security architecture assessments to identify cyber deficiencies and develop corrective measures for our critical assets that provide underlying mission-essential support for financial-related systems.

We made significant strides in FY 2022 to strengthen our assets and systems against cyber incidents, while reviewing resiliency and contingency plans, which ultimately underscores a more proactive and resilient enterprise security posture at Treasury. Similarly, in December 2021, we orchestrated response efforts to strategically and comprehensively address the Apache Log4J vulnerability in our systems, which involved coordinating short- and long-term approaches to address the vulnerability across multiple technology components and varied technology environments.

We and our component bureaus also instituted communication channels with the broader financial services sector to collaborate and identify opportunities to streamline processes, and raise situational awareness of the continuously evolving threat landscape.

Economic Measures to Advance National Security

Terrorism and Financial Intelligence (TFI) counters the ability of financial networks that support terrorists, transnational organized crime, weapons of mass destruction proliferators, and other threats to international security through intelligence analysis, sanctions, and international private-sector cooperation.

TFI's authorities, such as economic sanctions, are key tools in implementing U.S. foreign policy to pressure foreign countries and regimes, such as Russia. TFI also continues to maintain similar efforts that target malign activity emanating from China, North Korea, Syria, and other countries that threaten national security.

Source: Adobe Stock

Increased Sanctions Against Russia

TFI has significantly increased sanctions against Russia related to its actions against Ukraine over the past year and continues to economically sanction Russia.

The IA, in its role as chair of the Committee on Foreign Investment in the United States (CFIUS), reviewed a record number of transactions in FY 2022, and took important and necessary measures to safeguard national security. CFIUS also continues to proactively identify a growing number of potential non-notified transactions, while handling increasingly complex transactions, particularly those involving data firms.

Modernize Sanctions Regime

As part of modernizing the use of sanctions as a policy tool, TFI is implementing a new Sanctions Economic Analysis Unit under a newly designated Chief Sanctions Economist. The unit is charged with developing economic and financial policy analyses to inform the design and implementation of sanctions policy and targeting options under existing or proposed authorities.

In addition, the unit will provide a globally consistent approach to economic and financial policy analyses to better inform how we design and implement sanctions and develop as a center of excellence for analyses on the effectiveness of sanctions. This includes providing firm- and industry-specific analyses of potential collateral effects of proposed sanctions to identify issues that may be appropriate to mitigate, including issues related to U.S. persons, in connection with our sanction actions.

Transparency in the Financial System

One of the most effective ways to deter criminals and to stem the harms that flow from their actions—including harm to American citizens and our financial system—is to follow the criminals' money, expose criminal activity, and prevent networks from benefiting from the enormous power of our economy and the financial system. Through the Promoting Transparency in the Financial System APG, we are working to establish a robust regulatory framework to ensure we receive timely information on the highest priority threats and combat criminals' misuse of companies.

To combat these illicit efforts, TFI, through FinCEN, undertook efforts to modernize the *Bank Secrecy Act* and develop new beneficial ownership related regulations and guidance to better safeguard the U.S. financial system and protect the pocketbooks of Americans.

The Beneficial Ownership Information (BOI) is a key component of our broader efforts to protect the U.S. financial system from abuse by criminals and illicit actors. The rollout of the final BOI reporting rule is a key milestone in our efforts to implement the *Corporate Transparency Act* (CTA), which advances the U.S. Strategy on Countering Corruption, and prevents the proceeds of corruption and illicit finance from compromising the integrity of the U.S. financial system. The final BOI reporting rule and the CTA more broadly will help ensure that money launderers, tax evaders, criminals, and other illicit actors cannot hide their ill-gotten gains in the U.S. with anonymity and impunity.

GOAL 2: KEY PERFORMANCE DATA HIGHLIGHTS

Measure (Responsible Bureau/Office)	FY 19	FY 20	FY 21	FY 22	FY 22 Target	Result vs Target
Percentage of CFIUS Cases Reviewed within Statutory Timeframes, reported by calendar year (International Affairs)[1]	100%	100%	100%	TBD	100%	TBD
Number of New or Modified Sanctions Programs Established by Executive Order or Congressional Mandate (TFI)[2]	7	6	7	7	N/A	N/A

Explanation of Results

[1]This measure tracks compliance with statutory deadlines for completing national security reviews of transactions notified to the CFIUS to ensure that the CFIUS process is timely and efficient. We report results on a calendar year basis, at which time the comparison can be made of actual results verses target.

[2]This indicator tracks the number of new or modified sanctions programs that we must be implemented and enforced. However, the indicator does not capture the levels of relative complexity for each sanction program or the complexity of individual national security objectives that sanctions attempt to achieve. We do not set targets for new or modified sanctions programs since the existence of a sanctions program is not itself a measure of success.

Goal 3: Protect Financial Stability and Resiliency

We continued to promote a more resilient financial system through coordination with U.S. financial regulators and international partners. The Financial Stability Oversight Council (FSOC) is chaired by Secretary Yellen and charged with identifying risks to the financial stability of the U.S. The FSOC advanced its four priority policy areas, deepening its capacity to monitor risks to the financial system: (1) nonbank financial intermediation, (2) Treasury market resilience, (3) climate-related financial risk, and (4) digital assets. We also advanced efforts to enhance the resilience of the Treasury market and to facilitate the climate transition with state and local governments.

We play a critical role in improving financial resiliency and addressing vulnerabilities in core financial markets. The first strategic objective—assessed as an area of noteworthy progress in our FY 2022 SOAR process—focuses on our role in monitoring and addressing domestic and international financial risks. The second objective is to improve the resilience of critical government securities to markets to minimize borrowing costs over time and support the critical roles that these safe assets play in a global financial system. The third strategic objective—assessed as a focus area for improvement in our FY 2022 SOAR process—centers on promoting a financial system that delivers inclusive financial services, by way of expanding access to digital financial services, and encouraging the responsible use of innovative financial technology.

Financial System Vulnerabilities

As part of the FSOC's efforts to address risks posed by nonbank financial intermediaries, we and other FSOC members evaluated risks hedge funds, open-end funds, and money market funds pose. The FSOC began work to establish an interagency risk monitoring system for hedge funds and considered potential options to mitigate associated risks. On climate-related financial risk, the FSOC published its *Report on Climate-Related Financial Risk* in FY 2022, which identified climate change as an emerging risk to financial stability. The FSOC continued its work to identify emerging broader vulnerabilities to the financial system through its monthly interagency staff-level Systemic Risk Committee meetings, as well as through recommendations to address those vulnerabilities published in December 2021 in its annual report.

Through our participation at the Financial Stability Board (FSB), we advanced work to address these vulnerabilities internationally, including by shaping policy proposals to enhance money market fund resilience, promoting progress under the *FSB Roadmap for Addressing Climate-related Financial Risks*, and contributing to a proposed framework for the international regulation of digital asset activities.

The Office of Financial Research (OFR)—which is charged with looking across the financial system to collect and standardize financial data, monitor and analyze risks, and perform research and analysis related to financial stability—supported the FSOC's assessment of financial stability risks and advanced long-term research towards the goal of promoting and maintaining financial stability.

Resilient Treasury and Municipal Securities Markets

In FY 2022, the Office of Debt Management, along with the Office of State and Local Finance, have been instrumental in enhancing the resilience of the debt market. The Office of Debt Management continued to work in collaboration with the Inter-Agency Working Group (IAWG) on Treasury Market Surveillance—comprised of staff from Treasury, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, the U.S. Securities and Exchange Commission, and the Commodity Futures Trading Commission—on various workstreams. The IAWG published a staff progress report and hosted the annual Treasury Market Conference in November 2021, and IAWG member agencies continued to make progress on these objectives throughout the year. In September 2022, we published a fact sheet highlighting 12 key accomplishments from this year and will issue another staff progress report before the next annual conference in November 2022.

In March 2022, the Office of State and Local Finance convened a roundtable on climate transition among Treasury, federal and regulatory partners, and state and local government representatives. The participants considered policy issues and best practices for funding and financing the transition to a net-zero economy, including disclosure of climate-related financial risks to investors.

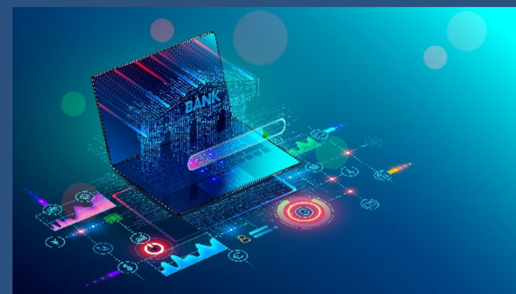
FINANCIAL INNOVATION

In November 2021, the President's Working Group on Financial Markets, joined by the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency, published a report on stablecoins, which are a type of digital asset with the potential to become widely used for payments. The report identified potential risks of continued growth in stablecoin markets and usage, absent appropriate regulation, and contained recommendations related to digital assets, which similarly built upon on our work in international forums, including the FSB.

We collaborated with FSB members on two reports related to digital assets regulation, including (1) the FSB's revised *High-Level Principles on the Regulation, Oversight, and Supervision of Global Stablecoin Arrangements,* and (2) the report on the *Regulation, Supervision and Oversight of Crypto-Asset Activities and Markets.* Recommendations from these reports are intended to be flexible, so that they can be easily incorporated into a wide variety of regulatory frameworks and for any type of crypto-asset activities that may pose risks to financial stability.

In March 2022, President Biden convened experts from across the Administration to ensure a coordinated and comprehensive approach to digital assets policy, and charged us with a leadership role in this work. In March 2022, Executive Order (EO) 14067, *Ensuring Responsible Development of Digital Assets*, established the following policy objectives with respect to digital assets: (1) protect consumers, investors, and businesses in the U.S.; (2) protect U.S. and global financial stability and mitigate systemic risk; (3) mitigate the illicit finance and national security risks posed by misuse of digital assets; (4) reinforce U.S. leadership in the global financial system and in technological and economic competitiveness, including through the responsible development of payment innovations and digital assets; (5) promote access to safe and affordable financial services; and (6) support technological advances that promote responsible development and use of digital assets.

In July 2022, we and the interagency partners delivered to the President the *Framework for International Engagement on Digital Assets,* which outlines a U.S. government-wide approach to promoting the responsible development of digital assets globally. The framework is intended to ensure that, with respect to the development of digital assets, we: (1) respect America's core democratic values; (2) protect consumers, investors, and businesses; (3) preserve appropriate global financial system connectivity and platform and architecture interoperability; and (4) maintain the safety and soundness of the global financial system and international monetary system. The framework calls for us to amplify and expand international work on digital assets through forums and international financial institutions, including at the G7 and FSB. The



Source: Adobe Stock

Digital Currency

In FY 2022, we participated in the development of the G7's *Public Policy Principles for Retail Central Bank Digital Currencies (CBDC)* report, which set out a common set of considerations on the public policy implications of CBDC, reflecting the shared and enduring values of the G7 on transparency, the rule of law, and sound economic governance.

framework also encourages the U.S. to identify where it can strengthen existing regional and bilateral engagements and, where appropriate, ramp up engagement with new partners to achieve our objectives with respect to digital assets.

Also as charged by EO 14067, in September 2022, we published a report on the future of the U.S. money and payments systems, in which Treasury encourages continued work on innovations to promote a system that is more competitive, efficient, and inclusive, and that also helps maintain and build on the U.S.' global financial leadership. The report recommends advancing policy and technical work on a potential U.S. CBDC, so that the U.S. is prepared if a CBDC is determined to be in the nation's interest. We also published a report on the implications of digital assets for consumers, investors and businesses, and laid out a detailed action plan to prevent digital assets from being used for financial crimes, such as money laundering and terrorism financing. In October 2022, the FSOC released a report on potential financial stability risks, and recommended steps to address gaps in the regulation of digital assets in the United States.

Separately, financial innovation can be seen with our focus on addressing counterfeiting. As of FY 2022, counterfeiting is an increasingly important issue for the Bureau of Engraving and Printing (BEP) and the U.S. Mint. To combat increasingly sophisticated counterfeiting threats, related to U.S. currency notes, the BEP, the Federal Reserve Board, and the U.S. Secret Service continue to collaborate extensively on redesigning notes to make counterfeiting more difficult. In FY 2022, the BEP successfully executed the first of many large-scale testing activities, which included security features approved by the Secretary and a new tactile feature for the visually impaired. Extensive, ongoing testing and factory trials will lead to a planned rollout of redesigned U.S. currency notes beginning in 2026 with the targeted issuance of the new $10 design.

Similarly, the Anti Counterfeit Division at the U.S. Mint is actively working on characterizing coins in circulation and evaluating scanning methods for high-speed detection of counterfeit coins. We are also exploring image registration for coins using surface morphology, which could potentially be used for validating U.S. Mint coinage.

Related to financial innovation and in support of the Improving the Payment Experience APG, Fiscal Service collaborated with top check-producing federal agencies (such as the Social Security Administration and the IRS) to improve the payment experience, reduce the number of check payments, and promote the benefits of increasing electronic payments. To promote inclusion, Fiscal Service is leveraging the Treasury-sponsored Direct Express debit card program to deliver payments to unbanked and underserved Americans. Additionally, Fiscal Service initiated an evaluation to understand how we can improve the delivery of government payments to hard-to-reach populations.

Moreover, in FY 2022, Fiscal Service developed a working blockchain prototype to explore how blockchain technology can improve the transparency and reporting of federal grant payments. Under the Joint Financial Management Improvement Program, Fiscal Service and the Government Accountability Office collaborated to successfully connect the first multi-agency blockchain in the federal government. Learnings from this collaboration will help other agencies understand the benefits and impacts of a multi-agency blockchain for various use cases.

Lastly, with the announcement of new Series I United States Savings Bond interest rates, Fiscal Service witnessed unprecedented demand for Series I savings bonds and a surge in call and case volumes. Fiscal Service executed a number of steps to respond to customers and focused on providing a positive customer experience, including: (1) adding resources to the call center, (2) updating to the website and phone menus to provide answers to common questions, and (3) developing system enhancements to better enable customers to complete transactions without requiring customer service support.

GOAL 3: KEY PERFORMANCE DATA HIGHLIGHTS

Measure (Responsible Bureau/Office)	FY 19	FY 20	FY 21	FY 22	FY 22 Target	Result vs Target
Dollar Amount (in billions) of Delinquent Debt Collected through All Tools (Fiscal Service)[1]	$9.65	$10.68	$5.04	$5.52	$5.26	Exceeded
Percentage of Treasury Payments Made Electronically (Fiscal Service)[2]	95.6%	96.0%	96.2%	96.4%	96.4%	Pending
Percentage of Total Federal Government Receipts Settled Electronically (Fiscal Service)[3]	98.4%	99.0%	99.6%	99.8%	99.0%	Exceeded
Number of Paper Checks Printed Fiscal Year to Date (millions) (Fiscal Service)[4]	54.2	50.5	48.8	45.7	45.7	Pending

Explanation of Results
[1]This measure provides the total amount of delinquent debt collected, in billions, through debt collection tools Fiscal Service operates. FY 2020 totals include collection of $3.4 billion from Economic Impact Payments to satisfy delinquent child support. Several state and federal creditor agencies suspended collection activity beginning in April 2020 due to economic concerns around COVID-19.
[2]This measure provides the portion of the total volume of electronic payments. FY 2020, FY 2021, and FY 2022 data does not include pandemic-related relief payments such as economic impact payments and advance child tax credit payments. The FY 2022 final actual is pending.
[3]This measure provides the percentage of total federal government revenue collection dollars settled electronically.
[4]This measure provides the number of payments made via paper checks. This measure provides the number of payments made via paper checks. FY 2020, FY 2021, and FY 2022 data does not include pandemic-related relief payments such as economic impact payments and advance child tax credit payments. The FY 2022 final actual is pending.

Goal 4: Combat Climate Change

We work ambitiously with domestic and international partners to emphatically respond to the challenges of climate change, including taking action to adapt to an already changing climate. With our partners, we work on mitigating risks associated with climate change and strive toward positioning the global economy for a clean and sustainable future. Our work in this area will strengthen the country's energy security and enhance the country's competitiveness in the clean energy economy.

Of the four strategic objectives for achieving this goal, the first is to demonstrate global leadership through re-engagement with international partners to put the world on a sustainable climate pathway. The second strategic objective—assessed as a focus area of improvement in our FY 2022 SOAR process—aims to promote the flow of capital towards clean and renewable investments, creating a more resilient and climate-forward economy.

The third strategic objective focuses on identifying and mitigating climate-related financial risks through improved approaches to measure, monitor, and address climate impacts. The fourth strategic objective focuses on our efforts to reduce greenhouse gas emissions, increase resiliency of our facilities and operations, and increase climate change knowledge and expertise within Treasury.

Global Climate Commitment and Leadership

We elevated U.S. leadership in global climate action through leadership roles in multilateral forums. We are pressing the World Bank and other development banks to raise their climate ambitions while pursuing existing development priorities.

In October 2022, we signed a loan agreement for the Clean Technology Fund (CTF)—a multilateral trust fund that helps to scale up low carbon technologies in developing countries. This contribution made good on the U.S.'s pledge to support the CTF's Accelerating Coal Transition Investment Program made at the 2021 G7 Summit alongside G7 partners. CTF will use the loan to support U.S. climate commitments, including Just Energy Transition Partnerships.

Source: Adobe Stock

Inflation Reduction Act (IRA)

In August 2022, Congress passed, and the President signed into law the IRA, which makes the largest investment in addressing climate change in our nation's history. Of the IRA's total $369 billion climate investment, $270 billion will be delivered via tax incentives, putting us at the forefront of implementing this historic legislation.

Climate Incentives and Investment

In FY 2022, we worked with stakeholders, Congress and other agencies to develop proposals to use tax incentives to encourage individuals and businesses to invest in renewable energy and transmission, expand usage of household clean energy and energy efficient technologies, and drive meaningful reductions in carbon emissions.

Climate-Related Financial Risks

The FSOC and its members made considerable progress in advancing the recommendations identified in its October 2021 *Report on Climate-Related Financial Risk*, including significant actions members took to address climate related capacity building, disclosures, data, and risk assessments. The FSOC also established a new staff-level interagency committee to serve as a coordinating body to share information, facilitate the development of common approaches and standards, and foster communication across the FSOC members. Lastly, the OFR conducted a data and analytics hub pilot to help the FSOC assess climate-related risks to financial stability.

Sustainable Treasury Operations

Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad* directs federal agencies to develop a Climate Action Plan (CAP) to assess and combat climate-related vulnerabilities. In collaboration with the National Oceanic and Atmospheric Administration, we are developing a climate literacy curriculum that will provide basic education on the causes and effects of climate change, alongside strategies for building Departmentwide resiliency. Through the Increasing Treasury Sustainability APG, we are working to model best practices in sustainable operations, supporting the Department's key role in the whole-of-government effort to manage climate-related risks and enable the transition to a net-zero emissions economy.

Resilience-building efforts are focused on the main priority action areas identified in the CAP, such as financial investment, real property weatherization, and procurement. Activities in the CAP action areas include the incorporation of climate risk considerations in our retrofitting and new construction efforts, as well as purchasing of renewable energy credits and energy-savings performance contracts, which are critical to meeting the Administration's requirements to convert our operations to cleaner sources of electricity.

Other major projects to strengthen climate resiliency include:

- expanding the IRS's presence in Puerto Rico, which will not only mitigate service disruptions from extreme weather, but also create jobs and allow for increased taxpayer access to bilingual services;
- constructing a new, weather-resilient production facility in Maryland for BEP, which will greatly reduce operational risks associated with the current older Washington, D.C., facility; and
- weatherizing and updating the Main Treasury building's exterior façade, deterring water damage through extensive repair and restoration work.

To provide more quantitative strategic planning support for adapting to and building resilience against climate-related concerns, we considered our growing need for ready access to a central repository of climate data (quantitative, machine-readable information) in multiple formats (shapefiles, excel tables, csv files), as well as data analysts and subject matter experts who can understand and use the data to better propose and support policy decisions.

GOAL 4: KEY PERFORMANCE DATA HIGHLIGHTS

Measure (Responsible Bureau/Office)	FY 19	FY 20	FY 21	FY 22	FY 22 Target	Result vs Target
Treasury-wide Footprint (Thousands of Square Feet) (Management)[1]	33,209	32,517	32,006	TBD	31,948	TBD
Explanation of Results						
[1]The actual FY 2022 square footage of Treasury-wide real property is not available until December 2022, at which time the comparison can be made of actual results versus target.						

Goal 5: Modernize Treasury Operations

Modernizing our operations is critical to achieving our mission and accomplishing our strategic priorities, which begins with making enterprise-wide improvements. Our first strategic objective under this goal—assessed as a focus area for improvement in our FY 2022 SOAR process—is intended to help us become a more diverse and inclusive workforce. The second strategic objective focuses on modernizing our workplace infrastructure and work routines to increase our agility, flexibility, and resilience. The third strategic objective—assessed as a focus area for improvement in our FY 2022 SOAR process—centers on improving Treasury's data maturity and capacity for evidence building. Our fourth strategic objective is to create a customer-focused culture, leveraging approaches to improving customer experience and simultaneously our overall capabilities and practices.

Recruit and Retain a Diverse and Inclusive Workforce

In FY 2022, we established the Office of Diversity, Equity, Inclusion, and Accessibility (ODEIA), which will serve as a center of excellence to modernize our overall DEIA strategy and drive cohesive implementation and accountability across the departmental offices and bureaus. The new structure allows for a more significant, more concentrated, and dedicated focus on civil rights compliance and mitigation, as well as DEIA-related accountability, competencies, and transparency.

In addition, ODEIA is championing organizational cultural change to move the agency into a more equitable organization through developing policy and innovative approaches. These policies are designed to ensure that families, businesses, and neighborhoods historically excluded from economic opportunities or that experienced persistent poverty are fully included in the nation's economic recovery and future growth.

The ODEIA centralizes four essential functions:

- carrying out policy analysis on how we can unlock the unrealized potential of marginalized communities;
- developing a workforce that reflects the diversity of the nation;
- ensuring fair and equitable business utilization; and
- guaranteeing compliance with civil rights laws and regulations.

We made a few changes to improve our ability to modernize our approach to DEIA. First, we developed a Treasury-wide expansion of the Office of Minority and Women Inclusion (OMWI) (that does not duplicate or override the efforts of the Office of the Comptroller of the Currency's OMWI). We combined the OMWI with the Office of Civil Rights and Equal Employment Opportunity, formerly known as the Departmental Office's Office of Civil Rights and Diversity. Additionally, ODEIA is adding a new component – the Equity Hub. This new office will focus on economic analysis and public policy as it relates to how we ensure DEIA is a focal point for reaching and providing services and resources to the public.

We implemented an internal DEIA Issuance System, through which we issue Equal Employment Opportunity, civil rights, diversity and inclusion, and equity guidance or policies to our workforce. We also published the first DEIA Strategic Plan to guide our work into the future.

Furthermore, ODEIA has implemented a number of new initiatives to improve our focus on diversity and inclusion in hiring and recruitment including contracting with the Professional Diversity Network to specifically target a more diverse applicant pool for our vacancies. We rolled out the new DEI Learning Journey in Integrated Talent Management System to help managers and employees better understand what it means to embrace diversity and inclusion. We also obtained support and resources to establish a recruitment program and developed a retention program to identify ways to retain current employees, which we will implement across Treasury. Finally, we incorporated new performance standards into all Senior Executive Service performance plan to focus leadership on their role in this expanded vision for DEIA.

Source: Adobe Stock

Professional Diversity Network

Our new partnership with the Professional Diversity Network strengthens our focus on diversity hiring by intentionally matching Treasury job announcements with a broad range of diverse groups including People of Color, LGBTQ+, Veterans, People with Disabilities and many others. This combined with the new DEIA Learning Journey, provides managers with training to promote hiring from a more diverse candidate pool. This training also supports managers and employee awareness about inclusion to ensure we are cultivating a culture that embraces the diversity of new and current Treasury employees.

In addition to ODEIA efforts, the IRS also obtained Direct Hire Authority (DHA) through the Office of Personnel Management (OPM) and the *Consolidated Appropriations Act of 2022* to reach a broader applicant pool and reduce the number of days to hire. Through these authorities, the IRS can hire tax examiners, clerks, customer service representatives and critical operations support personnel. The OPM DHA allows 10,000 new hires through December 2023 and is limited to the Submission Processing and Accounts Management functions in the IRS's Wage & Investment organization. The DHA granted under the *Consolidated Appropriations Act of 2022* allowed unlimited hires through September 30, 2022, in support of backlog reduction.

Future Work Routines

We displayed outstanding engagement across leadership and with the workforce to protect employee health and safety during the pandemic, while navigating re-entry of employees to the physical workplace. The Treasury COVID-19 Coordination Team, established in response to Executive Order 13991, *Protecting the Federal Workforce and Requiring Mask-Wearing*, continues to oversee the implementation of a comprehensive, science-based COVID-19 workplace safety plan.

We leveraged information technology tools to: (1) simplify vaccination status reporting, (2) centralize information resources regarding re-entry, (3) enable staff to reserve "hoteling" spaces for remote workers, and (4) provide access to training and Human Resources forms required for remote work. We began planning for the gradual increase in employees reporting to the physical workplace in early FY 2022, and successfully completed our re-entry by August 2022. To support the workforce post re-entry, we offered new flexible work arrangements and remote work, deployed improved collaboration technologies for hybrid teams, and tested new approaches to space configurations and sharing.

Better Use of Data

We made good progress in formulating an initial data infrastructure strategy designed to maximize the value of data for delivering improved business outcomes. This strategy leverages the *Foundations for Evidence-Based Policymaking Act of 2018* (Evidence Act) and key elements of the Federal Data Strategy to promote data sharing and use, further enabling enterprise investments in evidence building activities. Through this work, we are better positioned to leverage our newly created data inventory to improve enterprise visibility into our key data assets, which accelerates opportunities to turn data into insights for addressing Administration and Treasury leadership priorities. Enterprise-wide engagement has enabled us to reach consensus on several key multi-year priorities aligned to critical management initiatives in our Strategic Plan.

Similarly, Fiscal Service is committed to modernizing the publication of Fiscal Service data. Fiscal Service continued to make progress on FiscalData.treasury.gov, migrating a total of 39 datasets to the site and establishing continuous data feeds with eight existing datasets.

Customer Experience Practices

We have a responsibility to manage customer experience and improve service delivery using leading practices and a human centered approach. Due to the large customer base and high impact of those served by our programs, in FY 2022, OMB identified Treasury as a High Impact Service Provider (HISP), designating the Community Development Financial Institutions Fund and Fiscal Service's Direct Express programs as High Impact Services. In addition, the IRS continues to be designated as an HISP.

In May 2022, we launched a customer experience (CX) Community of Practice that brings together CX leaders and practitioners from across Treasury to build a customer-centric culture, foster collaboration, and share CX best practices and knowledge. Several of our offices have established dedicated CX teams, including a Taxpayer Experience Office at the IRS and the Office of the Chief Customer Officer at Fiscal Service.

GOAL 5: KEY PERFORMANCE DATA HIGHLIGHTS

Measure (Responsible Bureau/Office)	FY 19	FY 20	FY 21	FY 22	FY 22 Target	Result vs Target
Percentage of Aged Hardware (IRS)[1]	31.0%	16.0%	9.3%	7.1%	20%	Exceeds
Treasury-wide EVS Satisfaction Index (Management)[2]	65%	71%	67%	65%	67%	Unmet

Explanation of Results

[1]The percent of aged hardware was 7.1 percent which exceeded the 20 percent target for FY 2022. The major driver in exceeding this goal was the focus on hardware selections and timely refresh implementations. For FY 2023, IRS will continue with standard operations and review options for process improvements.

[2]The Federal Employee Viewpoint Survey (FEVS) is the primary tool that agencies use to measure employee sentiment. Each year, we track and report on the FEVS Overall Satisfaction Index which comprises three FEVS satisfaction questions.

ENTERPRISE RISK MANAGEMENT

FRAMEWORK

OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, provides guidance to federal managers to effectively manage risks to achieve strategic objectives. Management, together with the Chief Risk Officer (CRO), is responsible for establishing a governance structure to implement a robust process of risk management and internal control, as well as an enterprise-wide risk profile. Successful implementation requires us to establish and foster an open and transparent culture that encourages personnel to communicate information about potential risks and other concerns that impact our programs and operations.

The CRO meets regularly with senior leaders to discuss top risks to critical programs, systems, projects, and priorities, including response strategies. The Office of Risk Management (ORM) also established an Enterprise Risk Management (ERM) Council, chaired by the Deputy CRO, which brings together risk managers from each of our bureaus and policy offices on a bi-monthly basis to share best practices and discuss risks. ORM works with the bureaus and policy offices across Treasury to monitor and annually update our risk profile.

Beyond its work at Treasury, ORM leads an interagency ERM community of practice including officials from more than 50 federal agencies. This group originated from ORM's efforts to support agencies in their implementation of ERM, including the July 2016 publication of the Playbook: *Enterprise Risk Management for the U.S. Federal Government*. This government-wide working group meets bimonthly to discuss common risks and various methods of implementing the guidelines of the circular.

RISKS AND CHALLENGES

Through the FY 2022 SOAR and enterprise risk management process, we identified the following cross-cutting operational risks.

Evolving Cyber Climate: We and the financial services sector face increasing attacks from criminal and nation-state threat actors attempting to disrupt operations or steal data from sensitive systems. The tactics, techniques, and procedures that these threat actors employ are constantly evolving.

Human Resources: Our mission capability and capacity may be eroded due to operational challenges in human resources, such as in the areas of recruitment, training and development, personnel security, and diversity and inclusion. These challenges may be intensified when paired with changing mission and skill requirements.

Prioritizing Objectives to Effectively Leverage Limited Resources: We have many extremely important ongoing missions and are also at the forefront of several new initiatives to improve our economy and return it to a stable footing. Due to uncertain funding amounts and timing, new or changing legislative requirements, and reduced capacity, we may not be agile enough to sufficiently balance new initiatives with existing requirements or projects.

Data and Evidence: Infrastructure, Analytics Capabilities, and Sharing: Insufficient or aging IT infrastructure, lack of data accessibility and reliability, or inability to successfully use and interpret data may deteriorate our decision-making ability in critical mission areas.

Significant Disruptions to Operations: We may face significant disruptions to operations, due to climate change, natural disasters, terrorist events, pandemics, or a lapse in appropriations. This may impact our ability to successfully deliver on our mission, constrain our progress in critical work areas, and create challenges for employees, contractors, customers, and taxpayers.

Procurement, Acquisition, and Vendors: Our ability to achieve mission outcomes through procuring high-quality goods and services may be negatively affected by the ever-increasing complex burden layered on the procurement environment and the decline of available acquisition program management skillsets.

Climate-Related Risks and Challenges

We issue broad guidelines rather than overly restrictive instructions for conducting climate risk assessments as we have diverse missions and operations. These guidelines included, but were not limited to, key factors such as flooding, heat, and extreme weather (*e.g.*, hurricanes). Additionally, climate change presents challenges through supply chain disruptions, since extreme weather events in other areas of the world may affect production of critical materials that we need to complete our mission. Such disruptions may be similar to the supply chain shortage experienced during the COVID-19 pandemic. While we have several efforts under way to address these risks across the Department, a significant gap exists in the need for a central repository of climate, data, as well as data analysts and subject matter experts who can understand and use the data to propose and support policy decisions.

FY 2023 STRATEGIC OUTLOOK

In March 2022, we published our FY 2022 – 2026 Strategic Plan, which describes the long-term goals and objectives we aim to achieve during this Administration, building from the progress we made and the challenges we identified.

Our FY 2022 SOAR outlined several critical leadership actions in the following priority areas for the coming year: (1) transparency in the financial system; (2) financial innovation; (3) climate incentives and investment; (4) diverse and inclusive workforce; and (5) better use of data.

Looking ahead, we will make progress in these areas and other key priorities through several targeted initiatives:

- implement the Transparency in the Financial System APG, establishing a robust regulatory framework to ensure timely information on the highest priority threats to combat criminals' misuse of companies (Goal 2: Enhance National Security);
- support legislative proposals that advance payment integrity and financial management innovation programs (Goal 3: Protect Financial Stability and Resiliency);
- implement tax incentives for climate-friendly investments and energy security tax credits for manufacturing as authorized by the IRA (Goal 4: Combat Climate Change);
- implement the Equity Action Plan, consistent with Executive Order 13985: *Advancing Racial Equity and Support for Underserved Communities through the Federal Government*, which outlines how we are building the infrastructure necessary to identify and reduce barriers to equal opportunity and to help ensure that our programs and services better reach historically underserved communities. The standing-up of the ODEIA helped develop and drive DEIA strategy across Treasury (Goal 5: Modernize Treasury Operations); and
- prioritize recommended actions in our Evidence-Building Capacity Assessment to help inform investment and resource alignment decisions and determine how we can best coordinate to address gaps in evidence building and use (Goal 5: Modernize Treasury Operations).

In addition, we will work diligently to support implementation of the IRA, legislation that takes a critical step toward correcting the two-tiered tax system to ensure large corporations and high-income earners cannot avoid paying the taxes they owe, as well as making operational improvements to enhance taxpayer experience. ‼

The IRA also addresses climate change, putting Treasury at the forefront of implementing this historic legislation. We have begun work on implementation, which will be a priority over the coming year as many of the law's provisions take effect in FY 2023.

ADDITIONAL INFORMATION

HUMAN CAPITAL PLAN IMPLEMENTATION

In FY 2023, Treasury's Human Capital Community will continue its efforts to recruit, engage, and retain a diverse workforce that represents the communities that Treasury serves. The following highlights several of the strategies on which we will focus during FY 2023:

- Establish a Treasury wide Workforce Planning policy, process, and tools, to align strategic planning with the talent pipeline, create a clear view of talent demand and supply issues (workforce gaps), provide managers with reports and tools to determine the impact of talent decisions and prioritize future workforce investments, provide leaders insight to talent risks before impacting business objectives, and control unplanned talent costs and employee productivity limitations
- Establish a Treasury wide Recruitment Program and Recruitment Council
- Optimize the use of workforce flexibilities to enhance recruitment and retention outcomes to include increasing telework options and participation and increasing targeted use of recruitment flexibilities
- Improve employees' Intrinsic Work Experience as measured by the Federal Employee Viewpoint Survey (FEVS) by working with Bureaus to widely utilize Treasury's new Empowerment and Innovation curriculum
- Enhance employees' sense of psychological safety by improving training and communications on Merit System Principles and Whistleblower Protections
- Develop detailed plans to reduce Employee Engagement gaps in two key demographic groups (LGBTQ+ and Disabled)
- Improve the overall employee experience by partnering with the Bureaus to identify organizations that, according to FEVS results, need additional support and resources to address employee concerns and develop plans to provide the needed assistance
- Provide oversight and direction of key HRIT enhancements and investments
- Expand Treasury's Evaluation System Assessment and Accountability program, through policy, guidance, and oversight to include the implementation of the Maturity Advancement Plan
- Lead National Security Memorandum 3 Finance and Economic Interagency efforts
- Develop a Treasury wide approach for conducting mission critical competency assessments and support bureau competency assessment activities
- Enhance HR hiring reports and dashboards by incorporating additional data elements made available by the migration to USA Staffing

SUMMARY OF MANAGEMENT AND PERFORMANCE CHALLENGES

In accordance with the Reports Consolidation Act of 2000, the Inspectors General are required to provide the Secretary of the Treasury with their perspective on the most serious management and performance challenges facing the Department of the Treasury. At the end of each fiscal year, the Treasury Office of Inspector General

(OIG) and Treasury Inspector General for Tax Administration (TIGTA) send an update of these management challenges to the Secretary of the Treasury (hereafter referred to as "Secretary") and cite any new challenges for the upcoming fiscal year. The Special Inspector General for the Troubled Asset Relief Program (SIGTARP) identifies their management or performance challenges for the Office of Financial Stability (OFS) separately in their quarterly report to Congress. This section contains the OIG and TIGTA identified management and performance challenges and management's response.[2]

In this year's memorandum, OIG reported five challenges, one of which is new and reports on the challenges faced with implementing climate initiatives. As shown below, four challenges are repeated and updated from last year to include Treasury's continued role in combatting the economic fallout of the Coronavirus Disease 2019 (COVID-19) global pandemic, as well as its impacts on related workforce and workstreams.

- COVID-19 Pandemic Relief (Repeat)
- Cyber Threats (Repeat)
- Anti-Money Laundering/ Terrorist Financing and Bank Secrecy Act Enforcement (Repeat)
- Information Technology Acquisition and Project Management (Repeat)
- Climate Initiatives Risk (New)

In addition to the above challenges, we are reporting a concern about regulating digital assets.

OIG identified challenges and a concern based on the threat they pose to Treasury's mission and stakeholders' interests. They also acknowledge the Department's accomplishments and efforts over the past year to address critical matters as noted within each challenge. That said, the COVID-19 pandemic caused a global health emergency and economic crisis that Treasury continues to tackle. Furthermore, Treasury will continue to provide financial assistance to the transportation industry and to all 50 states, units of local government, U.S. territories, and tribal governments for the foreseeable future. Treasury will need to continue to act swiftly and draw on its existing resources to meet economic needs.

TIGTA – Identified Management Challenges
For FY 2023, TIGTA identified the IRS's top management and performance challenges as:

- Improving Taxpayer Service;
- Protecting Taxpayer Data and IRS Resources;
- Modernizing IRS Operations;
- Administering Tax Law Changes;
- Increasing Domestic and International Tax Compliance and Enforcement; and
- Reducing Tax Fraud and Improper Payments.

GAO – Identified High-Risk Areas

- Modernizing the U.S Financial Regulatory System (OFR/FSOC/OCC/Federal Reserve); and
- Enforcement of Tax Laws (IRS).

[2] The FY 2022 AFR is available at https://home.treasury.gov/system/files/266/Treasury-FY-2022-AFR.pdf . The response letters are on pages 218-227 (OIG) and 241-244 (TIGTA).

Good Accounting Obligation in Government Act (GAO-IG Act)

The Good Accounting Obligation in Government Act (the Act) requires each Federal agency to include, in its annual budget justification, a report that identifies each public recommendation issued by the Government Accountability Office (GAO) and the agency's inspector(s) general (IGs) that has remained unimplemented for one year or more from the budget justification submission date. In compliance with the Act, Treasury has included a report listing each public recommendation issued by GAO, Treasury Office of Inspector General (OIG), and Treasury Inspector General for Tax Administration (TIGTA). For recommendations with which Treasury agreed, this report provides timelines for full implementation of the planned corrective actions (PCAs). For recommendations with completed PCAs, this report indicates the status as "Implemented and Awaiting Auditor Verification." For recommendations with which Treasury disagreed or did not implement corrective actions due to budgetary constraints or other factors, this report indicates their status as either "Rejected" or "On Hold," respectively. For recommendations where Treasury did not formally respond or take action, this report indicates “No Action Taken.”

The Act also requires a reconciliation between the agency records of unimplemented recommendations and each IGs' Semiannual Report to Congress (SAR). Treasury IGs use the same system (Treasury’s Joint Audit Management Enterprise System (JAMES)) for the reporting of unimplemented recommendations in the SAR. In addition, Treasury IGs have direct access to JAMES and regularly review and validate the recommendation implementation status recorded in JAMES by conducting corrective action verifications and follow-up audits. A reconciliation table is provided as part of this report to illustrate that the discrepancies between this report and the SAR are due to differences in reporting criteria.

The information used to create this report is based on JAMES and GAO’s recommendations database available on www.gao.gov.

Reporting Methodology and Report Structure

This report includes GAO, OIG, and TIGTA recommendations issued up through 01/31/2022 that remained unimplemented for one year or more from the planned fiscal year 2024 budget justification submission date.

The report has five parts:

Appendix 1: A report listing GAO recommendations and their implementation status.
Appendix 2: A report listing OIG recommendations and their implementation status.
Appendix 3: A report listing TIGTA recommendations and their implementation status.
Appendix 4: A reconciliation of this report and the IGs’ SARs.
Appendix 5: A listing of acronyms used throughout this report.

This year’s report with executive summaries and other detailed reports are available on Treasury’s website at https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/good-accounting-obligation-in-government-act-gao-ig-act-reports.

EVIDENCE ACT

The Foundations for Evidence-Based Policymaking Act ("Evidence Act"), Public Law 115-435, takes steps to advance evidence-building functions in the Federal government. The law builds on existing Federal policies and data infrastructure investments to support information quality, access, and use. Treasury's FY 2024 budget requests funding to increase capacity for evidence-building activities, including research, statistics, and evaluation. The Budget also proposes funds to evaluate Treasury programs. The Annual Performance Plan and Report section of each budget chapter (Section II, part B) highlights the ways in which evidence, including program evaluation and research findings, was used to further the agency's understanding of program performance, establish performance goals, and inform future priorities. Additionally, where the agency made changes to performance measures, the Annual Performance Plan and Report (Section II, Part C) describes how evidence informed these changes.

Treasury's FY 2022 – 2026 Learning Agenda is set of priority questions designed to generate evidence through research, evaluation, or analysis to inform agency decision-making on policy development or program administration. The Learning Agenda includes questions about past program performance and potential strategies or approaches to improve performance and meet agency goals. Additionally, the Treasury FY 2024 Annual Evaluation Plan identifies significant evaluations that Treasury plans to conduct next year to evaluate critical programs and develop evidence in support of the agency's learning agenda. Finally, the Treasury FY 2022 – 2026 Capacity Assessment highlights areas of agency strength and opportunities to increase the use of evidence, including performance data and evaluation findings, to guide decision-making. As Treasury works to strengthen its overall capacity for evidence-building and enterprise governance, the agency will continue to consider how evidence can be used to inform performance planning and reporting.[3]

IDEA ACT

As required by section 3(b)(2) of Public Law 115-336, 132 Stat. 5025-5028, the 21st Century Integrated Digital Experience Act (21st Century IDEA or the Act), Treasury will provide a report to Congress highlighting progress across the enterprise and an integrated approach to modernize agency websites and digital services. This report will include major accomplishments and continued progress in design standardization, bureau website and application modernization, and IDEA compliance for recovery efforts. As required in Section 4(d), Treasury will also continue to digitize all paper-based forms related to serving the public and centralize access to these forms. Please see *U.S. Department of the Treasury Public Law 115-336, "21st Century Integrated Digital Experience Act" December 2022 Report Prepared for the Office of Management and Budget and the public per the requirements of section 3(d) of Public Law 115-336.* for more information.

[3] The Treasury FY 2022 – 2026 Learning Agenda and Capacity Assessment and the FY 2024 Annual Evaluation Plan are available at: https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/budget-requestannual-performance-plan-and-reports

MACHINE READABLE SUMMARY TABLES

Treasury has developed, for online posting, machine-readable files of the budget summary tables in the executive summary chapter of the FY 2024 Congressional Budget Justification. Please see the following link for more information: https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/budget-requestannual-performance-plan-and-reports.

Summary of FY 2023 Appropriations Language

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Freedman's Bank Building; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; executive direction program activities; international affairs and economic policy activities; domestic finance and tax policy activities, including technical assistance to State, local, and territorial entities; and Treasury-wide management policies and programs activities, **[**$273,882,000**]***$332,199,000*, of which not less than **[**$12,000,000**]***$9,000,000* shall be available for the administration of financial assistance, in addition to amounts otherwise available for such purposes: *Provided,* That of the amount appropriated under this heading— (1) not to exceed $350,000 is for official reception and representation expenses; (2) not to exceed $258,000 is for unforeseen emergencies of a confidential nature to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on the Secretary's certificate; and (3) not to exceed **[**$34,000,000**]***$42,000,000* shall remain available until September 30, **[**2024**]***2025*, for— (A) the Treasury-wide Financial Statement Audit and Internal Control Program; (B) information technology modernization requirements; (C) the audit, oversight, and administration of the Gulf Coast Restoration Trust Fund; (D) the development and implementation of programs within the Office of Cybersecurity and Critical Infrastructure Protection, including entering into cooperative agreements; (E) operations and maintenance of facilities;**[** and**]** (F) international operations*; and (G) investment security.*

OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE

SALARIES AND EXPENSES

For the necessary expenses of the Office of Terrorism and Financial Intelligence to safeguard the financial system against illicit use and to combat rogue nations, terrorist facilitators, weapons of mass destruction proliferators, human rights abusers, money launderers, drug kingpins, and other national security threats, **[**$216,059,000**]***$244,000,000*, of which not less than $3,000,000 shall be available for addressing human rights violations and corruption, including activities authorized by the Global Magnitsky Human Rights Accountability Act (22 U.S.C. 2656 note): *Provided,* That of the amounts appropriated under this heading, up to **[**$12,000,000**]** *$16,000,000* shall remain available until September 30, **[**2024**]***2025*.

CYBERSECURITY ENHANCEMENT ACCOUNT

For salaries and expenses for enhanced cybersecurity for systems operated by the Department of the Treasury, **[**$100,000,000**]***$215,000,000*, to remain available until September 30, **[**2025**]***2026*: Provided, That such funds shall supplement and not supplant any other amounts made available to the Treasury offices and bureaus for cybersecurity: Provided further, That of the total amount made available under this heading **[**$6,000,000**]***$9,000,000* shall be available for administrative expenses for the Treasury Chief Information Officer to provide oversight of the investments made under this heading: Provided further, That such funds shall supplement and not supplant any other amounts made available to the Treasury Chief Information Officer.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAM

For development and acquisition of automatic data processing equipment, software, and services*; for the hire of zero emission passenger motor vehicles and for supporting charging or fueling infrastructure; for expenses related to realignment of leased office space within the District of Columbia;* and for repairs and renovations to buildings owned by the Department of the Treasury, **[**$11,118,000**]** *$30,881,205*, to remain available until September 30, **[**2025**]** *2026*: *Provided,* That these funds shall be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department's offices, bureaus, and other organizations: *Provided further,* That this transfer authority shall be in addition to any other transfer authority provided in this Act: *Provided further,* That none of the funds appropriated under this heading shall be used to support or supplement "Internal Revenue Service, Operations Support" or "Internal Revenue Service, Business Systems Modernization".

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, **[**$48,878,000**]***$49,180,000*, including hire of passenger motor vehicles; of which not to exceed $100,000 shall be available for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury; of which up to $2,800,000 to remain available until September 30, **[**2024**]***2025*, shall be for audits and investigations conducted pursuant to section 1608 of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (33 U.S.C. 1321 note); and of which not to exceed $1,000 shall be available for official reception and representation expenses.

COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES

For necessary expenses of the Committee on Foreign Investment in the United States, $21,000,000, to remain available until expended: *Provided,* That the chairperson of the Committee may transfer such amounts to any department or agency represented on the Committee (including the Department of the Treasury) subject to advance notification to the Committees on Appropriations of the House of Representatives and the Senate: *Provided further,* That amounts so transferred shall remain available until expended for expenses of implementing section 721 of the Defense Production Act of 1950, as amended (50 U.S.C. 4565), and shall be available in addition to any other funds available to any department or agency: *Provided further,* That fees authorized by section 721(p) of such Act shall be credited to this appropriation as offsetting collections: *Provided further,* That the total amount appropriated under this heading from the general fund shall be reduced as such offsetting collections are received during fiscal year **[**2023**]** *2024*, so as to result in a total appropriation from the general fund estimated at not more than $0.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Treasury Inspector General for Tax Administration in carrying out the Inspector General Act of 1978, as amended, including purchase and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services authorized by 5 U.S.C. 3109, at such rates as may be determined by the Inspector General for Tax Administration; **[**$174,250,000**]***$187,368,000*, of which $5,000,000 shall remain available until September 30, **[**2024**]***2025*; of which not to exceed $6,000,000 shall be available for official travel expenses; of which not to exceed $500,000 shall be available for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General for Tax Administration; and of which not to exceed $1,500 shall be available for official reception and representation expenses.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

To carry out the Riegle Community Development and Regulatory Improvement Act of 1994 (subtitle A of title I of Public Law 103–325), including services authorized by section 3109 of title 5, United States Code, but at rates for individuals not to exceed the per diem rate equivalent to the rate for EX-III, **[**$324,000,000**]***$341,478,343*. Of the amount appropriated under this heading— (1) not less than **[**$196,000,000**]***$201,179,343*, notwithstanding section 108(e) of Public Law 103–325 (12 U.S.C. 4707(e)) with regard to Small and/or Emerging Community Development Financial Institutions Assistance awards, is available until September 30, **[**2024**]** *2025*, for financial assistance and technical assistance under subparagraphs (A) and (B) of section 108(a)(1), respectively, of Public Law 103–325 (12 U.S.C. 4707(a)(1)(A) and (B)), of which up to $1,600,000 may be available for training and outreach under section 109 of Public Law 103–325 (12 U.S.C. 4708), of which up to $3,153,750 may be used for the cost of direct loans, of which up to $10,000,000, notwithstanding subsection (d) of section 108 of Public Law 103–325 (12 U.S.C. 4707(d)), may be available to provide financial assistance, technical assistance, training, and outreach to community development financial institutions to expand investments that benefit individuals with disabilities**[**, and of which up to $2,000,000 shall be for the Economic Mobility Corps to be operated in conjunction with the Corporation for National and Community Service, pursuant to 42 U.S.C. 12571**]**: *Provided*, That the cost of direct and guaranteed loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000: *Provided further*, That of the funds provided under this paragraph, excluding those made to community development financial institutions to expand investments that benefit individuals with disabilities and those made to community development financial institutions that serve populations living in persistent poverty counties, the CDFI Fund shall prioritize Financial Assistance awards to organizations that invest and lend in high-poverty areas: *Provided further*, That for purposes of this section, the term "high-poverty area" means any census tract with a poverty rate of at least 20 percent as measured by the 2016–2020 5-year data series available from the American Community Survey of the Bureau of the Census for all States and Puerto Rico or with a poverty rate of at least 20 percent as measured by the 2010 Island areas Decennial Census data for any territory or possession of the United States; (2) not less than $25,000,000, notwithstanding section 108(e) of Public Law 103–325 (12 U.S.C. 4707(e)), is available until

September 30, [2024] *2025*, for financial assistance, technical assistance, training, and outreach programs designed to benefit Native American, Native Hawaiian, and Alaska Native communities and provided primarily through qualified community development lender organizations with experience and expertise in community development banking and lending in Indian country, Native American organizations, Tribes and Tribal organizations, and other suitable providers; (3) not less than $35,000,000 is available until September 30, [2024] *2025*, for the Bank Enterprise Award program; (4) not less than $24,000,000, notwithstanding subsections (d) and (e) of section 108 of Public Law 103–325 (12 U.S.C. 4707(d) and (e)), is available until September 30, [2024] *2025*, for a Healthy Food Financing Initiative to provide financial assistance, technical assistance, training, and outreach to community development financial institutions for the purpose of offering affordable financing and technical assistance to expand the availability of healthy food options in distressed communities; (5) not less than $9,000,000 is available until September 30, [2024] *2025*, to provide grants for loan loss reserve funds and to provide technical assistance for small dollar loan programs under section 122 of Public Law 103–325 (12 U.S.C. 4719): *Provided*, That sections 108(d) and 122(b)(2) of such Public Law shall not apply to the provision of such grants and technical assistance; (6) up to [$35,000,000]*$37,299,000* is available for administrative expenses, including administration of CDFI Fund programs and the New Markets Tax Credit Program, of which not less than $1,000,000 is for the development of tools to better assess and inform CDFI investment performance and CDFI program impacts, and up to $300,000 is for administrative expenses to carry out the direct loan program; and (7) [during fiscal year 2023, none of the funds available under this heading are available]*up to $10,000,000 is available until September 30, 2025,* for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of commitments to guarantee bonds and notes under section 114A of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4713a): *Provided*, That commitments to guarantee bonds and notes under such section 114A shall not exceed $500,000,000: *Provided further*, That such section 114A shall remain in effect until December 31, [2023] *2025*: *Provided further*, That of the funds awarded under this heading[, except those provided for the Economic Mobility Corps], not less than 10 percent shall be used for awards that support investments that serve populations living in persistent poverty counties: *Provided further*, That for the purposes of this paragraph and paragraph (1), the term "persistent poverty counties" means any county, including county equivalent areas in Puerto Rico, that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the 1990 and 2000 decennial censuses and the 2016–2020 5-year data series available from the American Community Survey of the Bureau of the Census or any other territory or possession of the United States that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the 1990, 2000 and 2010 Island Areas Decennial Censuses, or equivalent data, of the Bureau of the Census.

SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM

SALARIES AND EXPENSES

[For necessary expenses of the Office of the Special Inspector General in carrying out the provisions of the Emergency Economic Stabilization Act of 2008 (Public Law 110–343), $9,000,000.]

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel and training expenses of non-Federal and foreign government personnel to attend meetings and training concerned with domestic and foreign financial intelligence activities, law enforcement, and financial regulation; services authorized by 5 U.S.C. 3109; not to exceed $25,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, **[**$190,193,000**]***$228,908,000*, of which not to exceed **[**$55,000,000**]***$94,600,000* shall remain available until September 30, **[**2025**]** *2026. (Department of the Treasury Appropriations Act, 2023.)*

BUREAU OF THE FISCAL SERVICE

SALARIES AND EXPENSES

For necessary expenses of operations of the Bureau of the Fiscal Service, **[**$372,485,000**]** *$399,263,000*; of which not to exceed $8,000,000, to remain available until September 30, **[**2025**]** *2026*, is for information systems modernization initiatives; and of which $5,000 shall be available for official reception and representation expenses. In addition, **[**$165,000**]** *$225,000*, to be derived from the Oil Spill Liability Trust Fund to reimburse administrative and personnel expenses for financial management of the Fund, as authorized by section 1012 of Public Law 101–380.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

For necessary expenses of carrying out section 1111 of the Homeland Security Act of 2002, including hire of passenger motor vehicles, **[**$148,863,000**]***$155,604,000*; of which not to exceed $6,000 shall be available for official reception and representation expenses; and of which not to exceed $50,000 shall be available for cooperative research and development programs for laboratory services; and provision of laboratory assistance to State and local agencies with or without reimbursement: *Provided,* That of the amount appropriated under this heading, $5,000,000 shall **[**be for the costs of accelerating the processing of formula and label applications: *Provided further,* That of the amount appropriated under this heading, $5,000,000, to remain available until September 30, 2024, shall be for the costs associated with enforcement of and education regarding the trade practice provisions of the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.)**]** *remain available until September 30, 2025*.

UNITED STATES MINT PUBLIC ENTERPRISE FUND

Pursuant to section 5136 of title 31, United States Code, the United States Mint is provided funding through the United States Mint Public Enterprise Fund for costs associated with the production of circulating coins, numismatic coins, and protective services, including both operating expenses and capital investments: *Provided,* That the aggregate amount of new liabilities and obligations incurred during fiscal year **[**2023**]** *2024* under such section 5136 for circulating coinage and protective service capital investments of the United States Mint shall not exceed $50,000,000.

INTERNAL REVENUE SERVICE

TAXPAYER SERVICES

For necessary expenses of the Internal Revenue Service to provide taxpayer services, including pre-filing assistance and education, filing and account services, taxpayer advocacy services, and other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, **[**$2,780,606,000**]***$3,422,449,000*, of which not to exceed $100,000,000 shall remain available until September 30, **[**2024**]** *2025*, of which not less than $11,000,000 shall be for the Tax Counseling for the Elderly Program, of which not less than $26,000,000 shall be available for low-income taxpayer clinic grants, including grants to individual clinics of up to $200,000, of which not less than $40,000,000, to remain available until September 30, **[**2024**]** *2025*, shall be available for the Community Volunteer Income Tax Assistance Matching Grants Program for tax return preparation assistance, and of which not less than $236,000,000 shall be available for operating expenses of the Taxpayer Advocate Service: *Provided,* That of the amounts made available for the Taxpayer Advocate Service, not less than $7,000,000 shall be for identity theft and refund fraud casework.

ENFORCEMENT

For necessary expenses for tax enforcement activities of the Internal Revenue Service to determine and collect owed taxes, to provide legal and litigation support, to conduct criminal investigations, to enforce criminal statutes related to violations of internal revenue laws and other financial crimes, to purchase and hire passenger motor vehicles (31 U.S.C. 1343(b)), and to provide other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, **[**$5,437,622,000**]***$5,904,441,000*; of which not to exceed $250,000,000 shall remain available until September 30, **[**2024**]** *2025*; of which not less than $60,257,000 shall be for the Interagency Crime and Drug Enforcement program; and of which not to exceed $25,000,000 shall be for investigative technology for the Criminal Investigation Division: *Provided,* That the amount made available for investigative technology for the Criminal Investigation Division shall be in addition to amounts made available for the Criminal Investigation Division under the "Operations Support" heading.

OPERATIONS SUPPORT

For necessary expenses to operate the Internal Revenue Service to support taxpayer services and enforcement programs, including rent payments; facilities services; printing; postage; physical security; headquarters and other IRS-wide administration activities; research and statistics of income; telecommunications; information technology development, enhancement, operations, maintenance and security; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); the operations of the Internal Revenue Service Oversight Board; and other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; **[**$4,100,826,000**]***$4,520,076,000*, of which not to exceed $275,000,000 shall remain available until September 30, **[**2024**]** *2025*; of which not to exceed $10,000,000 shall remain available until expended for acquisition of equipment and construction, repair and renovation of facilities; of which not to exceed $1,000,000 shall remain available until September 30, **[**2025**]** *2026*, for research; and of which not to exceed $20,000 shall be for official reception and representation expenses: *Provided,* That not later than 30 days after the end of each quarter, the Internal Revenue Service shall submit a report to the Committees on Appropriations of the House of Representatives and the Senate and the Comptroller General of the United States detailing major information technology investments in the Internal Revenue Service **[**Integrated Modernization Business Plan**]** portfolio, including detailed, plain language summaries on the status of plans, costs, and results; prior results and actual expenditures of the prior quarter; upcoming deliverables and costs for the fiscal year; risks and mitigation strategies associated with ongoing work; reasons for any cost or schedule variances; and total expenditures by fiscal year: *Provided further,* That the Internal Revenue Service shall include, in its budget justification for fiscal year **[**2024**]** *2025*, a summary of cost and schedule performance information for its major information technology systems.

BUSINESS SYSTEMS MODERNIZATION

For necessary expenses of the Internal Revenue Service's business systems modernization program, $289,619,000, to remain available until September 30, 2026, and shall be for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including related Internal Revenue Service labor costs, and contractual costs associated with operations authorized by 5 U.S.C. 3109: Provided, That not later than 30 days after the end of each quarter, the Internal Revenue Service shall submit a report to the Committees on Appropriations of the House of Representatives and the Senate and the Comptroller General of the United States detailing major information technology investments in the Internal Revenue Service portfolio including detailed, plain language summaries on the status of plans, costs, and results; prior results and actual expenditures of the prior quarter; upcoming deliverables and costs for the fiscal year; risks and mitigation strategies associated with ongoing work; reasons for any cost or schedule variances; and total expenditures by fiscal year.

ADMINISTRATIVE PROVISIONS— INTERNAL REVENUE SERVICE

SEC. 101. Not to exceed 5 percent of the appropriation made available in this Act to the Internal Revenue Service under the "Enforcement" heading, and not to exceed 5 percent of any other appropriation made available in this Act to the Internal Revenue Service, may be transferred to any other Internal Revenue Service appropriation upon the advance approval of the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 102. The Internal Revenue Service shall maintain an employee training program, which shall include the following topics: taxpayers' rights, dealing courteously with taxpayers, cross-cultural relations, ethics, and the impartial application of tax law.

SEC. 103. The Internal Revenue Service shall institute and enforce policies and procedures that will safeguard the confidentiality of taxpayer information and protect taxpayers against identity theft.
SEC. 104. Funds made available by this or any other Act to the Internal Revenue Service shall be available for improved facilities and increased staffing to provide sufficient and effective 1–800 help line service for taxpayers. The Commissioner shall continue to make improvements to the Internal Revenue Service 1–800 help line service a priority and allocate resources necessary to enhance the response time to taxpayer communications, particularly with regard to victims of tax-related crimes.
SEC. 105. The Internal Revenue Service shall issue a notice of confirmation of any address change relating to an employer making employment tax payments, and such notice shall be sent to both the employer's former and new address and an officer or employee of the Internal Revenue Service shall give special consideration to an offer-in-compromise from a taxpayer who has been the victim of fraud by a third –party payroll tax preparer.
SEC. 106. None of the funds made available under this Act may be used by the Internal Revenue Service to target citizens of the United States for exercising any right guaranteed under the First Amendment to the Constitution of the United States.
SEC. 107. None of the funds made available in this Act may be used by the Internal Revenue Service to target groups for regulatory scrutiny based on their ideological beliefs.
SEC. 108. None of funds made available by this Act to the Internal Revenue Service shall be obligated or expended on conferences that do not adhere to the procedures, verification processes, documentation requirements, and policies issued by the Chief Financial Officer, Human Capital Office, and Agency-Wide Shared Services as a result of the recommendations in the report published on May 31, 2013, by the Treasury Inspector General for Tax Administration entitled "Review of the August 2010 Small Business/Self-Employed Division's Conference in Anaheim, California" (Reference Number 2013–10–037).
SEC. 109. None of the funds made available in this Act to the Internal Revenue Service may be obligated or expended— (1) to make a payment to any employee under a bonus, award, or recognition program; or (2) under any hiring or personnel selection process with respect to re-hiring a former employee; unless such program or process takes into account the conduct and Federal tax compliance of such employee or former employee.
SEC. 110. None of the funds made available by this Act may be used in contravention of section 6103 of the Internal Revenue Code of 1986 (relating to confidentiality and disclosure of returns and return information).
SEC. 111. The Secretary of the Treasury (or the Secretary's delegate) may use the funds made available in this Act, subject to such policies as the Secretary (or the Secretary's delegate) may establish, to utilize direct hire authority to recruit and appoint qualified applicants, without regard to any notice or preference requirements, directly to positions in the competitive service to process backlogged tax returns and return information.
SEC. 112. Notwithstanding section 1344 of title 31, United States Code, funds appropriated to the Internal Revenue Service in this Act may be used to provide passenger carrier transportation and protection between the Commissioner of Internal Revenue's residence and place of employment.
SEC. 113. *The Secretary of the Treasury (or the Secretary's delegate) may use funds made available to the Internal Revenue Service in this or any other provision*

of law to appoint, without regard to sections 3304 and 3309 through 3319 of title 5, United States Code, qualified candidates to positions in the competitive service in occupations for which the Secretary of the Treasury (or the Secretary's delegate) has determined in writing that there is a critical hiring need or severe shortage of highly qualified candidates: Provided, That the Secretary (or the Secretary's delegate) shall consult with the Office of Personnel Management on the positions to recruit (including quantity), as well as candidate recruitment, assessment, and selection policies; issue guidance to human resources practitioners in the Internal Revenue Service on use of this authority; use Office of Personnel Management qualification standards in all recruitments made; and exercise the authority under chapter 71 of title 5, United States Code and applicable collective bargaining agreements: Provided further, That, the appointment authority provided by this section shall expire on September 30, 2027:Provided further, That, not later than 180 days after expiration of this authority, the Secretary shall, in consultation with the Director of the Office of Personnel Management, provide a report to Congress that includes demographic data of individuals hired pursuant to this authority; salary information of individuals hired pursuant to this authority; and how IRS exercised this authority consistent with merit systems principles.

SEC. 114. *The Secretary of the Treasury (or the Secretary's delegate) may use funds made available to the Internal Revenue Service in this Act or any other provision of law, subject to such policies as the Secretary (or the Secretary's delegate) may establish, to take such personnel actions as the Secretary (or the Secretary's delegate) determines necessary to administer the Internal Revenue Code of 1986, including (1) in addition to the authority under section 7812(1) of the Internal Revenue Code of 1986, appointing not more than 200 individuals to positions in the Internal Revenue Service under streamlined critical pay authority subject to the requirements and conditions under section 9503 of title 5, United States Code, except that subsection 9503(a)(3) of such title shall not apply; and (2) appointing not more than 300 individuals to positions in the Internal Revenue Service at any one time for which (A) the rate of basic pay may be established by the Secretary of* the Treasury (or *the Secretary's delegate) at a rate that does not exceed the salary set in accordance with section 104 of title 3, United States Code; and (B) the total annual compensation paid to an employee in such a position, including allowances, differentials, bonuses, awards, and similar cash payments, may not exceed the maximum amount of total annual compensation payable at the salary set in accordance with section 104 of title 3, United States Code: Provided, That the authority provided under this paragraph shall expire on September 30, 2031.*

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY (INCLUDING TRANSFERS OF FUNDS)

SEC. 113. Appropriations to the Department of the Treasury in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

SEC. 114. Not to exceed 2 percent of any appropriations in this title made available under the headings "Departmental Offices—Salaries and Expenses", "Office of Inspector General", "Special Inspector General for the Troubled Asset Relief Program", "Financial Crimes Enforcement Network", "Bureau of the Fiscal Service", and "Alcohol and Tobacco Tax and Trade Bureau" may be transferred between such appropriations upon the **[**advance approval**]** *prior notification* of the Committees on Appropriations of the House of Representatives and the Senate: *Provided,* That no *such* transfer **[**under this section **]**may increase or decrease any such appropriation by more than 2 percent*: Provided further, that not to exceed 5 percent of any appropriation made available under the heading "Office of Terrorism and Financial Intelligence" and "Financial Crimes Enforcement Network" may be transferred between such appropriations upon the prior notification of the Committees on Appropriations of the House of Representatives and the Senate*.

SEC. 115. Not to exceed 2 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to the Treasury Inspector General for Tax Administration's appropriation upon the **[**advance approval**]** *prior notification* of the Committees on Appropriations of the House of Representatives and the Senate: *Provided,* That no transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 116. None of the funds appropriated in this Act or otherwise available to the Department of the Treasury or the Bureau of Engraving and Printing may be used to redesign the $1 Federal Reserve note.

SEC. 117. The Secretary of the Treasury may transfer funds from the "Bureau of the Fiscal Service—Salaries and Expenses" to the Debt Collection Fund as necessary to cover the costs of debt collection: *Provided,* That such amounts shall be reimbursed to such salaries and expenses account from debt collections received in the Debt Collection Fund.

SEC. 118. None of the funds appropriated or otherwise made available by this or any other Act may be used by the United States Mint to construct or operate any museum without the **[**explicit approval**]** *prior notification* of the Committees on Appropriations of the House of Representatives and the Senate, the House Committee on Financial Services, and the Senate Committee on Banking, Housing, and Urban Affairs.

SEC. 119. None of the funds appropriated or otherwise made available by this or any other Act or source to the Department of the Treasury, the Bureau of Engraving and Printing, and the United States Mint, individually or collectively, may be used to consolidate any or all functions of the Bureau of Engraving and Printing and the United States Mint without the **[**explicit approval**]** *prior notification* of the House Committee on Financial Services; the Senate Committee on Banking, Housing, and Urban Affairs; and the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 120. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for the Department of the Treasury's intelligence or intelligence related activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year **[**2023**]** *2024* until the enactment of the Intelligence Authorization Act for Fiscal Year **[**2023**]** *2024*.

SEC. 121. Not to exceed $5,000 shall be made available from the Bureau of Engraving and Printing's Industrial Revolving Fund for necessary official reception and representation expenses.

[SEC. 122. The Secretary of the Treasury shall submit a Capital Investment Plan to the Committees on Appropriations of the House of Representatives and the Senate not later than 30 days following the submission of the annual budget submitted by the President: *Provided,* That such Capital Investment Plan shall include capital investment spending from all accounts within the Department of the Treasury, including but not limited to the Department-wide Systems and Capital Investment Programs account, Treasury Franchise Fund account, and the Treasury Forfeiture Fund account: *Provided further,* That such Capital Investment Plan shall include expenditures occurring in previous fiscal years for each capital investment project that has not been fully completed.**]**

SEC. [123] ***122.*** During fiscal year **[**2023**]** *2024*— (1) none of the funds made available in this or any other Act may be used by the Department of the Treasury, including the Internal Revenue Service, to issue, revise, or finalize any regulation, revenue ruling, or other guidance not limited to a particular taxpayer relating to the standard which is used to determine whether an organization is operated exclusively for the promotion of social welfare for purposes of section 501(c)(4) of the Internal Revenue Code of 1986 (including the proposed regulations published at 78 Fed. Reg. 71535 (November 29, 2013)); and (2) the standard and definitions as in effect on January 1, 2010, which are used to make such determinations shall apply after the date of the enactment of this Act for purposes of determining status under section 501(c)(4) of such Code of organizations created on, before, or after such date.

SEC. [124] ***123.*** Within 45 days after the date of enactment of this Act, the Secretary of the Treasury shall submit an itemized report to the Committees on Appropriations of the House of Representatives and the Senate on the amount of total funds charged to each office by the Franchise Fund including the amount charged for each service provided by the Franchise Fund to each office, a detailed description of the services, a detailed explanation of how each charge for each service is calculated, and a description of the role customers have in governing in the Franchise Fund.

SEC. [125] ***124.*** (a) Not later than 60 days after the end of each quarter, **[**the Office of Financial Stability and**]** the Office of Financial Research shall submit reports on their activities to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Financial Services of the House of Representatives, and the Senate Committee on Banking, Housing, and Urban Affairs. (b) The reports required under subsection (a) shall include— (1) the obligations made during the previous quarter by object class, office, and activity; (2) the estimated obligations for the remainder of the fiscal year by object class, office, and activity; (3) the number of full-time equivalents within each office during the previous quarter; (4) the estimated number of full-time equivalents within each office for the remainder of the fiscal year; and (5) actions taken to achieve the goals, objectives, and performance measures of each office. (c) At the request of any such Committees specified in subsection (a), **[**the Office of Financial Stability and**]** the Office of Financial Research shall make officials available to testify on the contents of the reports required under subsection (a).

SEC. [126] ***125.*** In addition to amounts otherwise available, there is appropriated to the Special Inspector General for Pandemic Recovery, **[**$12,000,000**]** *$16,000,000*, to remain available until expended, for necessary expenses in carrying out section 4018 of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136).

[SEC. 127. Section 127 of the Department of the Treasury Appropriations Act, 2019 (title I of division D of Public Law 116–6) is amended by inserting before the period at the end the following: ", including public improvements in the area around such facility to mitigate traffic impacts caused by the construction and occupancy of the facility".**]**

SEC. 126. *Not to exceed 5 percent of any appropriation made available in this Act for the Department of the Treasury may be transferred to the Department's information technology system modernization and working capital fund (IT WCF), as authorized by section 1077(b)(1) of title X of division A of the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115–91), for the purposes specified in section 1077(b)(3) of such Act, upon the prior notification of the Committees on Appropriations of the House of Representatives and the Senate: Provided, That amounts transferred to the IT WCF under this section shall remain available for obligation through September 30, 2027.*

SEC. 127. *Up to $1,000,000 of any appropriation in this title may be transferred to the Special Inspector General for TARP or the Special Inspector General for Pandemic Recovery appropriations upon the prior notification of the Committees on Appropriations of the House of Representatives and the Senate.*