

# FY 2023 EXECUTIVE SUMMARY

## President's Budget Discretionary Appropriation Request

Dollars in Thousands

|  | FY 2021 Enacted<br>(post IRS transfer) <sup>2</sup> | FY 2022<br>Annualized CR | FY 2022<br>Enacted  | FY 2023<br>President's Budget | FY 2023<br>President's Budget<br>(with IRS Technical<br>Adjustments) <sup>3</sup> |
|--|---|--------------------------|---------------------|-------------------------------|---|
| <b>Management &amp; Financial</b>                            | <b>\$1,554,281</b>                                  | <b>\$1,554,281</b>       | <b>\$1,704,947</b>  | <b>\$2,056,804</b>            | <b>\$2,056,804</b>  |
| Departmental Offices Salaries and Expenses                   | \$233,000   | \$233,000                | \$243,109           | \$293,242                     | \$293,242   |
| Committee on Foreign Investment in the United States (CFIUS) | \$20,000  | \$20,000                 | \$20,000            | \$20,000                      | \$20,000  |
| CFIUS Fees   | (\$20,000)  | (\$20,000)               | (\$20,000)          | (\$20,000)                    | (\$20,000)  |
| <b>Subtotal CFIUS Fund (non add)</b>                         | <b>\$20,000</b>                                     | <b>\$20,000</b>          | <b>\$20,000</b>     | <b>\$20,000</b>               | <b>\$20,000</b>   |
| Office of Terrorism and Financial Intelligence               | \$175,000   | \$175,000                | \$195,192           | \$212,059                     | \$212,059   |
| Cybersecurity Enhancement Account                            | \$18,000  | \$18,000                 | \$80,000            | \$215,000                     | \$215,000   |
| Department-wide Systems and Capital Investments Program      | \$6,118   | \$6,118                  | \$6,118             | \$11,118                      | \$11,118  |
| Office of Inspector General                                  | \$41,044  | \$41,044                 | \$42,275            | \$43,878                      | \$43,878  |
| Treasury Inspector General for Tax Administration            | \$170,250   | \$170,250                | \$174,250           | \$182,409                     | \$182,409   |
| Special Inspector General for TARP                           | \$19,000  | \$19,000                 | \$16,000            | \$9,000                       | \$9,000   |
| Special Inspector Pandemic Recovery                          | \$0   | \$0                      | \$8,000             | \$25,000                      | \$25,000  |
| Community Development Financial Institutions Fund            | \$270,000   | \$270,000                | \$295,000           | \$331,420                     | \$331,420   |
| Financial Crimes Enforcement Network                         | \$126,963   | \$126,963                | \$161,000           | \$210,330                     | \$210,330   |
| Alcohol and Tobacco Tax and Trade Bureau                     | \$124,337   | \$124,337                | \$128,067           | \$150,863                     | \$150,863   |
| Bureau of the Fiscal Service                                 | \$345,569   | \$345,569                | \$355,936           | \$372,485                     | \$372,485   |
| Digitization of Unredeemed Matured Savings Bonds Records     | \$25,000  | \$25,000                 | \$0                 | \$0                           | \$0   |
| <b>Tax Administration<sup>1</sup></b>                        |   |                          |                     |                               |   |
| <b>Internal Revenue Service Total</b>                        | <b>\$11,919,054</b>                                 | <b>\$11,919,054</b>      | <b>\$12,594,054</b> | <b>\$14,100,667</b>           | <b>\$14,100,667</b>   |
| Taxpayer Services  | \$2,587,606   | \$2,763,606              | \$2,780,606         | \$3,385,723                   | \$3,684,593   |
| Enforcement  | \$5,004,622   | \$5,004,622              | \$5,437,622         | \$5,861,649                   | \$6,272,313   |
| Operations Support   | \$4,104,102   | \$3,928,102              | \$4,100,826         | \$4,543,268                   | \$3,833,734   |
| Business Systems Modernization                               | \$222,724   | \$222,724                | \$275,000           | \$310,027                     | \$310,027   |
| <b>Subtotal, Treasury Appropriations excluding TEOAF</b>     | <b>\$13,473,335</b>                                 | <b>\$13,473,335</b>      | <b>\$14,299,001</b> | <b>\$16,157,471</b>           | <b>\$16,157,471</b>   |
| <b>Treasury Forfeiture Fund Total</b>                        | <b>(\$75,000)</b>                                   | <b>(\$75,000)</b>        | <b>(\$175,000)</b>  | <b>\$0</b>                    | <b>\$0</b>  |
| Permanent Rescission   | (\$75,000)  | (\$75,000)               | (\$175,000)         | \$0                           | \$0   |
| <b>Subtotal, Treasury Appropriation including TEOAF</b>      | <b>\$13,398,335</b>                                 | <b>\$13,398,335</b>      | <b>\$14,124,001</b> | <b>\$16,157,471</b>           | <b>\$16,157,471</b>   |
| <b>Treasury International Programs</b>                       | <b>\$1,890,319</b>                                  | <b>\$1,942,319</b>       | <b>\$2,056,460</b>  | <b>\$4,374,515</b>            | <b>\$4,374,515</b>  |
| Multilateral Development Banks                               | \$1,481,244   | \$1,481,244              | \$1,527,172         | \$1,906,315                   | \$1,906,315   |
| Food Security  | \$32,500  | \$32,500                 | \$48,000            | \$43,000                      | \$43,000  |
| IMF PRGT Grant   | \$0   | \$0                      | \$102,000           | \$0                           | \$0   |
| IMF Resilience and Sustainability Trust Subsidy Cost         | \$0   | \$0                      | \$0                 | \$20,000                      | \$20,000  |
| Environmental Trust Funds                                    | \$139,575   | \$139,575                | \$274,288           | \$2,300,200                   | \$2,300,200   |
| Office of Technical Assistance                               | \$33,000  | \$33,000                 | \$38,000            | \$38,000                      | \$38,000  |
| Debt Restructuring   | \$297,000   | \$401,000                | \$134,000           | \$134,000                     | \$134,000   |
| <b>Total, Treasury Appropriations excluding TEOAF</b>        | <b>\$15,363,654</b>                                 | <b>\$15,415,654</b>      | <b>\$16,355,461</b> | <b>\$20,531,986</b>           | <b>\$20,531,986</b>   |
| <b>Total, Treasury</b>                                       | <b>\$15,288,654</b>                                 | <b>\$15,340,654</b>      | <b>\$16,180,461</b> | <b>\$20,531,986</b>           | <b>\$20,531,986</b>   |

<sup>1</sup>FY 2021 Enacted (post IRS transfer) includes a transfer of \$208 million from Enforcement to Taxpayer Services (\$32 million) and Operations Support (\$176 million).

<sup>2</sup>Excludes funding provided for COVID-19 Pandemic response.

<sup>3</sup>The 2023 Budget includes changes to IRS appropriation language that allow the IRS to move certain support activities from the Operations Support appropriation to charge the full cost of mission activities to the Taxpayer Services and Enforcement appropriations. In the 2023 budget, the IRS proposes to move Rent and CFO expenses. These proposed changes are reflected here.

<sup>4</sup>In FY 2021, Congress also appropriated \$120 million to Treasury's debt restructuring account for clearing Sudan's arrears with the IMF on an emergency basis.

## 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 \$16.2 billion in base discretionary resources for the Department of the Treasury's domestic programs.

- **Improves Taxpayer Experience and Supports a Fair and Equitable Tax System.** Last year, the IRS delivered more than \$600 billion in direct economic relief to American households and businesses through Economic Impact Payments, monthly advance child tax credit payments, and more. Yet the agency's funding and staffing levels have not kept pace with its expanding scope. 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 Internal Revenue Service (IRS). This includes an increase of \$798 million above FY 2021 to improve the taxpayer experience and expand customer service outreach to underserved communities and the taxpaying public at large. The Budget also provides \$310 million for IRS Business Systems Modernization to accelerate the development of new digital tools to enable better communication between taxpayers and the IRS. Increased funding for the IRS will also facilitate more effective oversight of high income and corporate tax returns. In addition to these resources, the Administration continues to support multiyear investments in IRS tax enforcement to increase tax compliance and revenues that the President has previously proposed. This investment reflects decades of analysis demonstrating that program integrity investments to enforce existing tax laws will increase revenues in a progressive way by closing the tax gap—the difference between taxes owed and taxes paid.
- **Expands Lending in Disadvantaged Communities and Increases Affordable Housing Supply.** The Budget provides \$331 million for the Treasury Community Development Financial Institutions (CDFI) Fund. To address the critical shortage of affordable housing in communities, the Budget also proposes \$5 billion in long-term mandatory funding for CDFI financing of new construction and substantial rehabilitation that creates net new units of affordable rental and for sale housing. CDFIs provide 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.
- **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. Investment in Treasury staff and technical capabilities is critical to these efforts, including closing financial reporting loopholes that allow illicit actors to evade scrutiny, mask their dealings, and undermine corporate accountability. The Budget provides \$210 million for the Financial Crimes Enforcement Network (FinCEN) to increase oversight of the financial sector, strengthen corporate accountability, and provide adequate support to law enforcement and investigative entities. In addition, the Budget provides \$212 million

to the Office of Terrorism and Financial Intelligence (TFI) to modernize and update the sanctions process consistent with the findings of the Treasury 2021 Sanctions Review.

- **Strengthens Enterprise Cybersecurity.** The Budget provides \$215 million 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 establish a Zero Trust Architecture. These investments will protect Treasury systems from future attacks and accelerate Treasury's response to the SolarWinds incident and Log4j vulnerabilities.
- **Restores Critical Agency Capacity.** The Budget provides \$293 million for Treasury's Departmental Offices to rebuild institutional capacity and strengthen the role of Treasury policy offices. Additional funding for Treasury's Climate Hub will support a sustainable economic recovery and advance climate goals both domestically and internationally, including domestic coal transition and engagement with international financial institutions. Increased staffing will also support assessments of climate-related financial risk arising from private insurance coverage gaps in regions of the country particularly vulnerable to climate change impacts. The Budget also builds institutional capacity to expand engagement with historically underrepresented and underserved groups and develop actionable goals to advance equity across all Treasury programs.

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

| Appropriation  | 2021 Actual   |              |               | 2022 Annualized CR |               |               | 2023 President's Budget |               |                |
|--|---------------|--------------|---------------|--------------------|---------------|---------------|-------------------------|---------------|----------------|
|  | Direct        | Reimb.       | Total         | Direct             | Reimb.        | Total         | Direct                  | Reimb.        | Total          |
| Departmental Offices Salaries and Expenses                           | 672           | 40           | 712           | 740                | 41            | 781           | 869                     | 41            | 910            |
| Terrorism and Financial Intelligence                                 | 524           | 35           | 559           | 561                | 41            | 602           | 624                     | 41            | 665            |
| Cybersecurity Enhancement  | 4             |              | 4             | 10                 |               | 10            | 21                      |               | 21             |
| Office of Inspector General  | 189           |              | 189           | 190                |               | 190           | 190                     |               | 190            |
| Treasury Inspector General for Tax Administration                    | 739           | 2            | 741           | 760                | 2             | 762           | 760                     | 2             | 762            |
| Special Inspector General for TARP                                   | 70            |              | 70            | 68                 |               | 68            | 45                      |               | 45             |
| Special Inspector General for Pandemic Recovery                      | 35            |              | 35            | 38                 |               | 38            | 66                      |               | 66             |
| Community Development Financial Institutions Fund                    | 67            |              | 67            | 82                 |               | 82            | 89                      |               | 89             |
| Financial Crimes Enforcement Network                                 | 269           | 2            | 271           | 285                | 3             | 288           | 420                     | 3             | 423            |
| Alcohol and Tobacco Tax and Trade Bureau                             | 487           | 14           | 501           | 508                | 12            | 520           | 548                     | 12            | 560            |
| Bureau of the Fiscal Service   | 1,922         | 15           | 1,937         | 1,866              | 9             | 1,875         | 1,896                   | 9             | 1,905          |
| Internal Revenue Service <sup>1</sup>                                | 78,661        | 694          | 79,355        | 80,327             | 585           | 80,912        | 84,839                  | 614           | 85,453         |
| <b>Subtotal, Treasury Appropriated Level</b>                         | <b>83,639</b> | <b>802</b>   | <b>84,441</b> | <b>85,435</b>      | <b>693</b>    | <b>86,128</b> | <b>90,367</b>           | <b>722</b>    | <b>91,089</b>  |
| Office of Financial Stability (Administrative Account)               | 10            |              | 10            | 10                 |               | 10            | 8                       |               | 8              |
| Small Business Lending Fund Program                                  | 2             |              | 2             | 2                  |               | 2             | 2                       |               | 2              |
| Office of Recovery Programs <sup>2</sup>                             | 42            |              | 42            | 193                |               | 193           | 178                     |               | 178            |
| Community Development Financial Institutions Fund, Emergency Support | 3             |              | 3             | 12                 |               | 12            | 12                      |               | 12             |
| Capital Magnet Fund  | 4             |              | 4             | 6                  |               | 6             | 9                       |               | 9              |
| Office of Financial Research   | 111           |              | 111           | 143                |               | 143           | 163                     |               | 163            |
| Financial Stability Oversight Council                                | 14            |              | 14            | 23                 |               | 23            | 27                      |               | 27             |
| Treasury Franchise Fund  |               | 2,036        | 2,036         |                    | 2,212         | 2,212         |                         | 2,210         | 2,210          |
| Bureau of Engraving and Printing                                     |               | 1,821        | 1,821         |                    | 1,869         | 1,869         |                         | 1,869         | 1,869          |
| United States Mint   |               | 1,566        | 1,566         |                    | 1,705         | 1,705         |                         | 1,705         | 1,705          |
| Office of the Comptroller of the Currency                            |               | 3,491        | 3,491         |                    | 3,555         | 3,555         |                         | 3,555         | 3,555          |
| Terrorism Insurance Program  | 7             |              | 7             | 8                  |               | 8             | 10                      |               | 10             |
| IRS Private Collection Agent Program                                 | 334           |              | 334           | 460                |               | 460           | 821                     |               | 821            |
| <b>Subtotal, Treasury Non-Appropriated Level</b>                     | <b>527</b>    | <b>8,914</b> | <b>9,441</b>  | <b>857</b>         | <b>9,341</b>  | <b>10,198</b> | <b>1,230</b>            | <b>9,339</b>  | <b>10,569</b>  |
| <b>Total, Treasury</b>   | <b>84,166</b> | <b>9,716</b> | <b>93,882</b> | <b>86,292</b>      | <b>10,034</b> | <b>96,326</b> | <b>91,597</b>           | <b>10,061</b> | <b>101,658</b> |

1/ Amounts for the IRS include FTE funded from user fees, carryover, multiyear authority, and ARP supplemental funding.

2/ Amounts 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 2023 Increases and Decreases

(Dollars in Thousands)

|   | DO               | CFIUS <sup>2</sup> | TFI              | Cyber             | DSCIP            | OIG             | TIGTA            | SIGTARP           | SIGPR <sup>3</sup> | CDFI             | FinCEN           | TTB              | FS               | IRS                 | Total               |
|---|------------------|--------------------|------------------|-------------------|------------------|-----------------|------------------|-------------------|--------------------|------------------|------------------|------------------|------------------|---------------------|---------------------|
| <b>FY 2022 Annualized CR<sup>1</sup></b>                    | <b>\$233,000</b> | <b>\$0</b>         | <b>\$175,000</b> | <b>\$18,000</b>   | <b>\$6,118</b>   | <b>\$41,044</b> | <b>\$170,250</b> | <b>\$19,000</b>   | <b>\$0</b>         | <b>\$270,000</b> | <b>\$126,963</b> | <b>\$124,337</b> | <b>\$370,569</b> | <b>\$11,919,054</b> | <b>\$13,473,335</b> |
| SIGPR Operating Level                                       |                  |                    |                  |                   |                  |                 |                  |                   | \$13,000           |                  |                  |                  |                  |                     | \$13,000            |
| Maintaining Current Levels (MCLs)                           | \$9,728          | \$0                | \$6,567          | \$0               | \$0              | \$1,516         | \$6,619          | \$537             | \$445              | \$0              | \$5,401          | \$4,604          | \$12,276         | \$436,363           | \$484,056           |
| Pay Annualization   | \$1,179          |                    | \$746            |                   |                  | \$211           | \$975            | \$62              | \$58               |                  | \$462            | \$572            | \$1,593          | \$62,546            | \$68,404            |
| Pay Raise   | \$6,108          |                    | \$4,142          |                   |                  | \$1,083         | \$5,018          | \$319             | \$299              |                  | \$2,377          | \$2,942          | \$8,197          | \$321,837           | \$352,322           |
| FERS Contribution Increase                                  |                  |                    |                  |                   |                  |                 |                  |                   |                    |                  |                  |                  |                  |                     | \$0                 |
| Labor Adjustment  |                  |                    |                  |                   |                  |                 |                  |                   |                    |                  |                  |                  |                  |                     | \$0                 |
| Non-Pay   | \$2,441          |                    | \$1,679          |                   |                  | \$222           | \$626            | \$156             | \$88               |                  | \$2,562          | \$1,090          | \$2,486          | \$51,980            | \$63,330            |
| Non-Recurring Costs   | (3,868)          |                    |                  |                   | (\$6,118)        |                 |                  |                   |                    |                  |                  |                  | (\$25,000)       |                     | (\$52,986)          |
| Efficiency Savings/Reinvestment                             |                  |                    |                  |                   |                  |                 |                  |                   |                    |                  |                  |                  |                  |                     | \$0                 |
| Other Adjustment/Initiative Annualization                   | \$17,365         |                    | \$10,192         |                   |                  | 1,321           | 5,540            |                   | \$7,000            |                  | \$28,887         | \$4,493          | \$6,940          | 438,882             | \$520,620           |
| <b>Adjustments to Base</b>                                  | <b>\$23,225</b>  | <b>\$0</b>         | <b>\$16,759</b>  | <b>(\$18,000)</b> | <b>(\$6,118)</b> | <b>\$2,837</b>  | <b>\$12,159</b>  | <b>\$537</b>      | <b>\$7,445</b>     | <b>\$0</b>       | <b>\$34,288</b>  | <b>\$9,097</b>   | <b>(\$5,784)</b> | <b>\$875,245</b>    | <b>\$951,690</b>    |
| <b>FY 2023 Base</b>   | <b>\$256,225</b> | <b>\$0</b>         | <b>\$191,759</b> | <b>\$0</b>        | <b>\$0</b>       | <b>\$43,881</b> | <b>\$182,409</b> | <b>\$19,537</b>   | <b>\$20,445</b>    | <b>\$270,000</b> | <b>\$161,251</b> | <b>\$133,434</b> | <b>\$364,785</b> | <b>\$12,794,299</b> | <b>\$14,438,025</b> |
| Program Decreases   |                  |                    |                  |                   |                  |                 |                  | (\$10,537)        |                    |                  |                  |                  |                  |                     | (\$10,537)          |
| CFIUS Fund Appropriation                                    |                  | \$20,000           |                  |                   |                  |                 |                  |                   |                    |                  |                  |                  |                  |                     | \$20,000            |
| CFIUS User Fees   |                  | (\$20,000)         |                  |                   |                  |                 |                  |                   |                    |                  |                  |                  |                  |                     | (\$20,000)          |
| Program Increases/Reinvestments                             | \$37,017         |                    | \$20,300         | \$215,000         | \$11,118         |                 |                  |                   | 4,555              | 61,420           | \$49,079         | \$17,429         | \$7,700          | \$1,306,368         | \$1,729,986         |
| <b>Subtotal, Program Changes</b>                            | <b>\$37,017</b>  | <b>\$0</b>         | <b>\$20,300</b>  | <b>\$215,000</b>  | <b>\$11,118</b>  | <b>\$0</b>      | <b>\$0</b>       | <b>(\$10,537)</b> | <b>\$4,555</b>     | <b>\$61,420</b>  | <b>\$49,079</b>  | <b>\$17,429</b>  | <b>\$7,700</b>   | <b>\$1,306,368</b>  | <b>\$1,719,449</b>  |
| <b>FY 2023 President's Budget funded from discretionary</b> | <b>\$293,242</b> | <b>\$0</b>         | <b>\$212,059</b> | <b>\$215,000</b>  | <b>\$11,118</b>  | <b>\$43,881</b> | <b>\$182,409</b> | <b>\$9,000</b>    | <b>\$25,000</b>    | <b>\$331,420</b> | <b>\$210,330</b> | <b>\$150,863</b> | <b>\$372,485</b> | <b>\$14,100,667</b> | <b>\$16,157,474</b> |

1/ Excludes funding provided for COVID-19 Pandemic response.

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

3/ In FY 2022 SIGPR did not receive funds under an annualized CR. The funds represented are the bureau's operating level.

## FY 2023 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 | Other Critical Priorities <sup>1</sup> | Total               |
|---|--|---------------------------|--|-----------------------|-------------------------------|--|---------------------|
| Management & Financial                                    | \$701,234                                      | \$671,936                 | \$173,361                                  | \$98,935              | \$370,795                     | \$40,543                               | \$2,056,804         |
| Departmental Offices Salaries and Expenses                | \$104,824                                      | \$51,240                  | \$41,688                                   | \$36,986              | \$58,504                      |  | \$293,242           |
| Committee on Foreign Investment in the United States Fund |  | \$20,000                  |  |                       |                               |  | \$20,000            |
| CFIUS Fees  |  | (\$20,000)                |  |                       |                               |  | (\$20,000)          |
| Office of Terrorism and Financial Intelligence            |  | \$175,293                 | \$23,536                                   | \$4,329               | \$8,901                       |  | \$212,059           |
| Cybersecurity Enhancement Account                         |  | \$215,000                 |  |                       |                               |  | \$215,000           |
| Department-wide Systems and Capital Investments Program   |  |                           |  | \$7,141               | \$3,977                       |  | \$11,118            |
| Office of Inspector General <sup>2</sup>                  |  | \$1,711                   |  | \$439                 | \$1,185                       | \$40,543                               | \$43,878            |
| Treasury Inspector General for Tax Administration         | \$138,631                                      | \$9,120                   |  | \$1,824               | \$32,834                      |  | \$182,409           |
| Special Inspector General for TARP                        | \$2,250  | \$1,800                   | \$4,500                                    |                       | \$450                         |  | \$9,000             |
| Special Inspector General for Pandemic Recovery           | \$23,750                                       |                           |  | \$500                 | \$750                         |  | \$25,000            |
| Community Development Financial Institutions Fund         | \$296,289                                      |                           |  |                       | \$35,131                      |  | \$331,420           |
| Financial Crimes Enforcement Network                      |  | \$161,954                 | \$10,517                                   | \$21,033              | \$16,826                      |  | \$210,330           |
| Alcohol and Tobacco Tax and Trade Bureau                  | \$131,764                                      | \$3,669                   |  | \$608                 | \$14,821                      |  | \$150,863           |
| Bureau of the Fiscal Service                              | \$3,725  | \$52,148                  | \$93,121                                   | \$26,074              | \$197,417                     |  | \$372,485           |
| Tax Administration <sup>3</sup>                           | \$13,794,596                                   | \$56,732                  |  |                       | \$249,339                     |  | \$14,100,667        |
| IRS Taxpayer Services                                     | \$3,347,689                                    |                           |  |                       | \$38,034                      |  | \$3,385,723         |
| IRS Enforcement   | \$5,761,666                                    | \$45,652                  |  |                       | \$54,331                      |  | \$5,861,649         |
| IRS Operations Support                                    | \$4,375,214                                    | \$11,080                  |  |                       | \$156,974                     |  | \$4,543,268         |
| Business Systems Modernization                            | \$310,027                                      |                           |  |                       |                               |  | \$310,027           |
| <b>Total, Treasury</b>                                    | <b>\$14,495,830</b>                            | <b>\$728,668</b>          | <b>\$173,361</b>                           | <b>\$98,935</b>       | <b>\$620,134</b>              | <b>\$40,543</b>                        | <b>\$16,157,471</b> |
| Non-Appropriated Accounts                                 |  |                           |  |                       |                               |  |                     |
| Office of Financial Stability (Administrative Account)    | \$33,612                                       |                           |  |                       |                               |  | \$33,612            |
| Terrorism Risk Insurance (Administrative)                 | \$851  | \$2,268                   | \$1,985                                    |                       | \$567                         |  | \$5,670             |
| Financial Stability Oversight Council                     |  |                           | \$10,568                                   | \$1,865               |                               |  | \$12,433            |
| Office of Financial Research                              |  | \$1,762                   | \$59,916                                   |                       | \$26,434                      |  | \$88,112            |
| Bureau of Engraving and Printing                          |  |                           | \$1,878,069                                | \$8,148               | \$150,734                     |  | \$2,036,951         |
| United States Mint <sup>4</sup>                           |  | \$16,114                  | \$402,859                                  | \$69,829              | \$48,343                      | \$2,860,000                            | \$3,397,145         |
| Office of the Comptroller of the Currency                 |  | \$122,516                 | \$943,370                                  | \$61,258              | \$98,012                      |  | \$1,225,156         |
| Federal Reserve Bank                                      |  | \$54,800                  | \$356,200                                  | \$34,250              | \$239,750                     |  | \$685,000           |
| Reimbursable to the Federal Reserve Banks                 |  | \$15,040                  | \$97,760                                   | \$9,400               | \$65,800                      |  | \$188,000           |
| Financial Agent Services                                  |  | \$80,960                  | \$546,480                                  | \$50,600              | \$333,960                     |  | \$1,012,000         |
| <b>Total, Non-Appropriated Level</b>                      | <b>\$34,463</b>                                | <b>\$293,460</b>          | <b>\$4,297,206</b>                         | <b>\$235,349</b>      | <b>\$963,601</b>              | <b>\$2,860,000</b>                     | <b>\$8,684,079</b>  |
| <b>Grand Total</b>  | <b>\$14,530,292</b>                            | <b>\$1,022,128</b>        | <b>\$4,470,568</b>                         | <b>\$334,284</b>      | <b>\$1,583,734</b>            | <b>\$2,900,543</b>                     | <b>\$24,841,550</b> |

<sup>1</sup> Other critical priorities include activities that are operationally focused and as such are not currently covered by specific strategies in the FY 2022-2026 Strategic Plan.

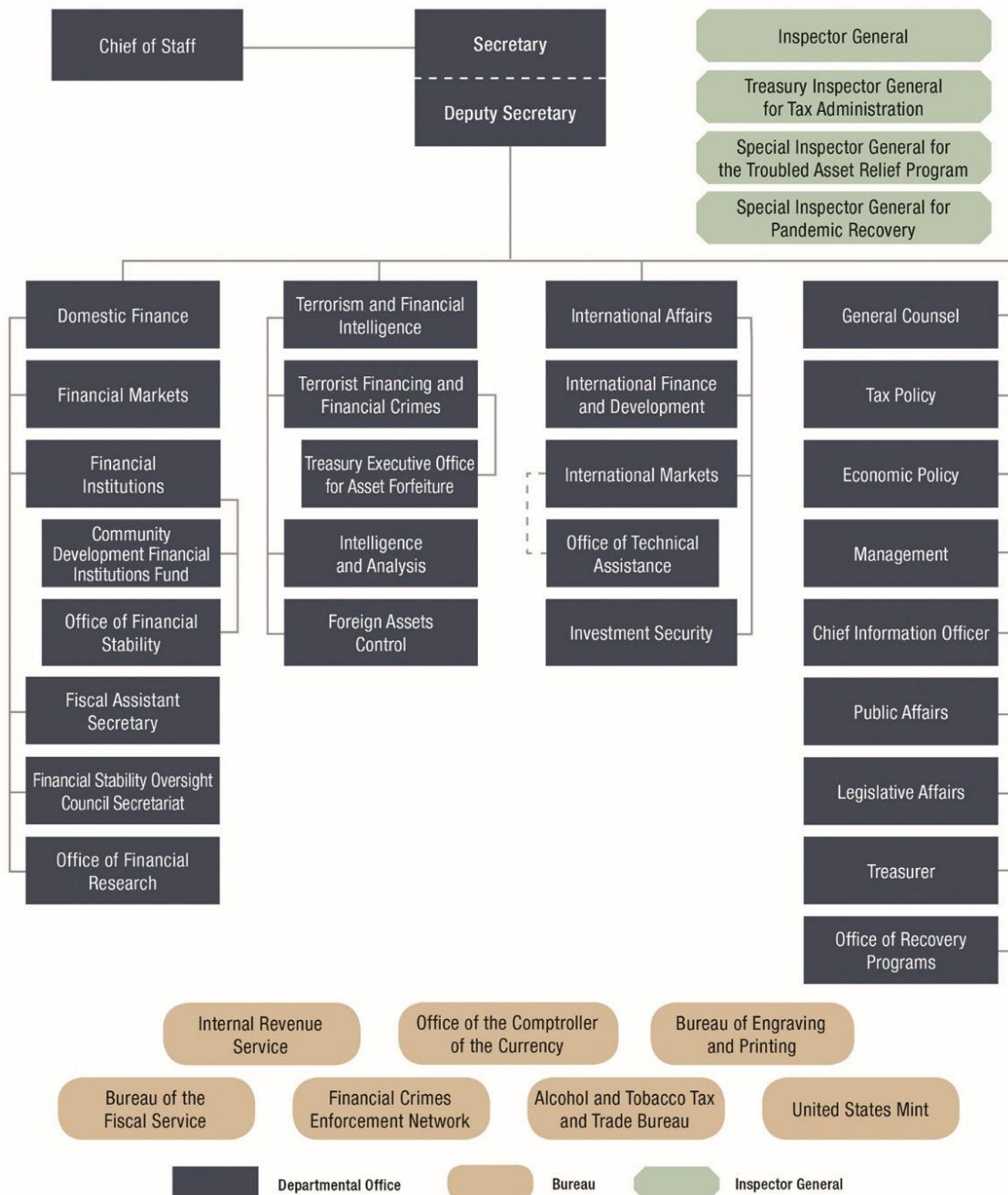
<sup>2</sup> The amounts in Other Critical Priorities for the Office of Inspector General are related to promoting the integrity, efficiency, and effectiveness in programs and operations within the Treasury Department and across OIG jurisdictional boundaries.

<sup>3</sup> This table does not include the proposed technical adjustment that would move certain support activities from Operation Support and charge the full cost of certain mission activities to the Taxpayer Services and Enforcement appropriations. The adjustment would reduce the Operation Support appropriation by \$709.5 million for rent and CFO adjustments and increase the Taxpayer Services appropriation by \$298.9 million and the Enforcement appropriation by \$410.7 million.

<sup>4</sup> The amounts in Other Critical Priorities for the United States Mint represent the cost of metal.

## ORGANIZATION

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



## DEPARTMENTAL OFFICES



**Domestic Finance** works to preserve confidence in the U.S. Treasury securities market, strengthen financial institutions and markets, and promote access to credit, in service to long-term economic strength and stability.



**Terrorism and Financial Intelligence (TFI)** 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, 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 sometimes advising the Secretary on coinage matters 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, diversity issues, and data.



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



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.

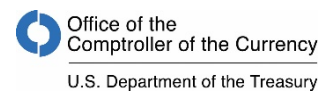


The **Internal Revenue Service (IRS)** determines, assesses, and collects U.S. tax revenue and helps taxpayers understand their tax responsibilities, while aiming to prevent tax-related fraud.



UNITED STATES MINT

The **United States Mint (U.S. Mint)** designs, mints, and issues U.S. circulating coins, as well as numismatic and bullion coins; in addition to striking 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 improved strategy execution and resource allocations. In this spirit, we developed a strategic 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. The performance review cycle integrates statutory requirements to conduct quarterly reviews of agency results toward goals, with an annual exercise to validate our supporting objectives, executed through our Strategic Objective Annual Review (SOAR) process.

We also integrate portfolio reviews of programs within our performance review cycle activities, as required by the *Program Management Improvement Accountability Act* (PMIAA). The SOAR process includes analyzing cross-cutting performance and identifying a set of strategic objectives as priority focus areas. In 2019, the *Foundation for Evidence-Based Policymaking Act* was signed into law to further advance the U.S. government's evidence-building functions. In this fiscal year, we approached the implementation of the evidence-building requirements by leveraging our strategic management framework, including the SOAR, to initiate an agency learning agenda.

At designated points throughout the fiscal year, we set 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. Treasury also 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. We describe our process and framework for managing to our strategic objectives and performance outcomes in the Treasury Annual Organizational Performance Review Cycle Table on the following page.

## TREASURY ANNUAL ORGANIZATIONAL PERFORMANCE REVIEW CYCLE

| Session        | Fall<br>(October – November)  | Winter<br>(February – March)   | Spring<br>(April – May)   | Summer<br>(June – July)   |
|----------------|---|--|---|---|
| Focus          | Bureau Performance & Priorities   | Strategic Objective Annual Review (SOAR)   | Cross-cutting Risks/Challenges; Critical Programs   | Budget  |
| Chair          | 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 | <ul style="list-style-type: none"> <li>Review prior year's performance at the bureau/office level</li> <li>Recognize successes</li> <li>Set priorities for year ahead</li> <li>Identify shortfalls/risks; accountability; assess organizational health</li> </ul> | <ul style="list-style-type: none"> <li>Evaluate progress towards strategic goals and objectives (incl. progress of critical programs and projects)</li> <li>Identify/validate Treasury priorities or strategic shifts</li> <li>Outline potential topics for OMB annual review</li> </ul> | <ul style="list-style-type: none"> <li>Issue-based sessions: deep dive on cross-cutting issues identified in the SOAR, identify near-term improvement strategies</li> <li>Program-based sessions: check in on critical programs/projects identified in the SOAR that need Treasury leadership attention.</li> </ul> | <ul style="list-style-type: none"> <li>Align funding to priorities, performance impacts, and risk mitigation</li> <li>Strengthen IT acquisition, budgeting, and accountability</li> <li>Identify efficiencies and redundancies in request</li> <li>Check in on health and update list of critical programs/projects based on budget requests</li> </ul> |

### **FY 2022–2023 APG: Improving the Payment Experience**

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**

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 37% 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**

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.

# FY 2022 -2026 TREASURY'S STRATEGIC PLAN

Department of the Treasury > Strategic Plan 2022–2026

## Strategic Plan Crosswalk

|  |  | Treasury leads | Treasury supports                                | Re-engaging Allies | Climate Change | Equity | Customer Experience |
|--|--|----------------|--|--------------------|----------------|--------|---------------------|
| Goal 1<br>Promote Equitable Economic Growth and Recovery | <b>Tax Administration and Policy</b> Enhance tax compliance and service; improve tax policy design.  | IRS, TP        | TTB, EP  | ⊙                  | ⊙              | ⊙      | ⊙                   |
|  | <b>Global Economic Leadership</b> Generate sustainable and inclusive global economic growth.   | IA             | EP, TP, TTB                                      | ⊙                  | ⊙              | ⊙      |                     |
|  | <b>Economically Resilient Communities</b> 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                      |                    | ⊙              | ⊙      | ⊙                   |
|  | <b>Resilient Housing Market</b> 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<br>Enhance National Security                      | <b>Cyber Resiliency of Financial Systems and Institutions</b> Harden assets and systems of Treasury and the broader financial system to promote financial system resiliency.   | ASM, DF        | All Bureaus/ Offices                             | ⊙                  |                |        | ⊙                   |
|  | <b>Economic Measures to Advance National Security</b> Enhance and protect national security through the application of targeted financial measures and review of certain foreign investments.  | TFI, IA        | FinCEN   | ⊙                  |                |        | ⊙                   |
|  | <b>Modernize Sanctions Regime</b> 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   | ⊙                  |                |        | ⊙                   |
|  | <b>Transparency in the Financial System</b> Increase transparency in the domestic and international financial system.  | TFI/ FinCEN    | IA, IRS  | ⊙                  | ⊙              |        | ⊙                   |
| Goal 3<br>Protect Financial Stability and Resiliency     | <b>Financial System Vulnerabilities</b> 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                                      | ⊙                  | ⊙              | ⊙      |                     |
|  | <b>Resilient Treasury and Municipal Securities Markets</b> 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   |                    | ⊙              | ⊙      | ⊙                   |
|  | <b>Financial Innovation</b> Encourage responsible financial sector innovation.   | DF             | IA, TFI, FinCEN, Fiscal, Mint, BEP, IRS, TP, OCC | ⊙                  | ⊙              | ⊙      | ⊙                   |
| Goal 4<br>Combat Climate Change                          | <b>Global Climate Commitment and Leadership</b> 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                                       | ⊙                  | ⊙              | ⊙      |                     |
|  | <b>Climate Incentives and Investment</b> 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                                  | ⊙                  | ⊙              | ⊙      |                     |
|  | <b>Climate-Related Financial Risks</b> 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                             | ⊙                  | ⊙              | ⊙      |                     |
|  | <b>Sustainable Treasury Operations</b> 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<br>Modernize Treasury Operations                  | <b>Recruit and Retain a Diverse and Inclusive Workforce</b> Recruit and retain a diverse workforce that represents communities that Treasury serves.   | ASM            | All Bureaus/ Offices                             |                    |                | ⊙      | ⊙                   |
|  | <b>Future Work Routines</b> Transform the Department's work routines to support changing mission and workforce needs.  | ASM            | All Bureaus/ Offices                             |                    | ⊙              | ⊙      | ⊙                   |
|  | <b>Better Use of Data</b> Increase timely access to and use of quality data and other types of evidence to inform decision-making.   | ASM            | All Bureaus/ Offices                             |                    | ⊙              | ⊙      | ⊙                   |
|  | <b>Customer Experience Practices</b> Mature and embed strong customer experience practices across the Department, establishing Treasury's reputation for consistently positive experiences.  | ASM            | All Bureaus/ Offices                             |                    |                | ⊙      | ⊙                   |



## PERFORMANCE OVERVIEW

We carry great responsibility for fostering prosperity and security for the American people, play a critical role in U.S. and global economies, and continue to make progress in our mission to meet the needs of the nation. The *FY 2022 – 2026 Treasury Strategic Plan* will chart a course to guide our responsibilities to taxpayers. The following performance overview reflects the accomplishments and challenges in achieving the goals of equitable economic growth and recovery, national security, financial stability and resiliency, combating climate change, and modernizing Treasury operations in service to our country.

### Equitable Economic Growth and Recovery

The COVID-19 pandemic has exacerbated the pre-existing inequities in America's economic system and created a slowdown in global trade. We must address systemic issues in the economic system and strengthen resiliency for all Americans while taking the lead, internationally, to partner with foreign countries to advance ambitious policies for an equitable global recovery and sustainable growth.

As part of our implementation of the *American Rescue Plan Act of 2021* (ARP), we supported the expansion of the Child Tax Credit, which will substantially reduce child poverty by supplementing the earnings of families receiving the tax credit.

Finally, in FY 2021, we submitted a 200-day Progress Report on Treasury's Equity Assessment per Executive Order 13985, *Advancing Racial Equity and Support for Underserved Communities*, which assessed our ability to develop policies and programs that deliver resources and benefits equitably to all.

#### OFFICE OF RECOVERY PROGRAMS STAND-UP/AMERICAN RESCUE PLAN IMPLEMENTATION

The current public health crisis and resulting economic crisis have devastated the health and economic well-being of millions of Americans. From big cities to small towns, Americans—particularly people of color, immigrants, and low-wage workers—are facing a deep economic crisis. The ARP, one of the most progressive pieces of legislation in history, is delivering immediate and direct relief to families and workers impacted by the COVID-19 crisis and is building a bridge to an equitable economic recovery.



Source: Adobe Stock

#### Office of Recovery Programs Established

In FY 2021, we established the Office of Recovery Programs to lead our implementation of economic relief and recovery programs, including nearly \$420 billion in programs from the *American Rescue Plan Act of 2021* (ARP). The Office of Recovery Programs also oversees programs authorized through the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), and the *Consolidated Appropriations Act, 2021* (CAA).

The Office of Recovery Programs, led by the Chief Recovery Officer, reports to Treasury's Deputy Secretary, and is principally focused on efficiently establishing and administering our programs to support an equitable and swift recovery from the economic challenges precipitated by the COVID-19 pandemic. In FY 2021, the Office of Recovery Programs focused on implementing an effective, cohesive model for recovery programs to help get relief distributed quickly and into the hands of those who need it the most, while ensuring public trust.

Treasury is responsible for managing over \$1 trillion in ARP programs and tax credits and have already distributed approximately \$700 billion. For example, Treasury has sent over \$240 billion in fiscal support to state, territorial, local, and Tribal governments that is being used to fight the pandemic and accelerate local economic recovery. Over 99 percent of currently available State and Local Fiscal Recovery Funds are in the hands of governments across the country, which are using these resources not only to meet immediate pandemic response needs but to make long-term investments in the recovery, equity, and prosperity of their local communities.

## EQUITY ASSESSMENT

The COVID-19 pandemic has exposed long-standing disparities in our laws, public policies, and institutions, which disproportionately affect people of color and members of underserved communities. As we implement the ARP, we are working to ensure the economic recovery includes those who have been historically underserved and affected by persistent poverty long before the pandemic. We view this equity assessment as an opportunity to identify and remove any barriers that would prevent any member of the American public from having equal access to our programs and services and procurement and contracting opportunities, as well as the nation's financial systems.

We completed the following activities per Executive Order 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*:

- Issued a joint video with the Secretary and Deputy Secretary to announce the kickoff of the Equity Assessment Process and its intended goals.
- Provided recommendations on FY 2023 funding levels for program offices responsible for advancing diversity, equity, inclusion, and accessibility as part of the internal Departmental budget process.
- Met with members of the Department of Labor Equity Review Team to learn more about each agency's equity assessment effort.

- Published a blog post to mark the six-month anniversary of the ARP and highlight the central role of equity in programmatic implementation.
- Appointed a Counselor to the Secretary for Racial Equity.
- Announced the creation of a racial equity advisory committee to more regularly solicit opinions and guidance from external racial equity subject matter experts in our ongoing efforts to advance equity.
- Completed the required 60-Day, 90-Day, and 200-Day Progress Reports.

Our Equity Assessment Team worked with the IRS, Office of Tax Policy, Fiscal Service and ORP to develop ambitious, yet manageable, proposals for the equity assessment process. We also worked to identify actionable opportunities to: (1) identify and remove any barriers that members of underserved communities may have to our contracting and procurement opportunities; and (2) improve access to data collection, use, and sharing, including data disaggregation, which improves the ability to deliver services more equitably, and better understand how our programmatic and policy decisions impact underserved communities.

## ENHANCE CHILD TAX CREDIT

Since President Biden signed the ARP in March 2021, the White House has led a cross-agency effort to ensure the expanded Child Tax Credit reaches the families who need it most. The ARP's expansion of the Child Tax Credit will substantially reduce child poverty by supplementing the earnings of families receiving the tax credit.

Within months, the IRS launched a Non-filer Sign-up Tool and published step-by-step guides in multiple languages. Since then, the White House, Treasury, and the IRS have worked in collaboration with advocacy groups and public figures to direct consumers to the tool. The IRS's efforts also included public awareness programs, including free tax preparation days in more than 30 cities where data showed large pockets of children in households that do not normally file a tax return.



*Source: Adobe Stock*

### **Expanded Child Tax Credit**

Experts have projected the ARP has the potential to lift more than five million children out of poverty in 2021, cutting child poverty by more than half. The expanded Child Tax Credit is the largest single contributor to this historic reduction. Prior to the expansion by the ARP, lower-income families often received a smaller Child Tax Credit than families with higher earnings because the tax credit was only partially refundable.

The ARP's advance payment of the expanded Child Tax Credit (AdvCTC) presented unique challenges across the IRS, including resource competition with the information technology experts needed to deliver the third round of Economic Impact Payments in parallel with planning and implementing the AdvCTC. Implementing the new legislation also challenged the IRS to develop systems, processes, and procedures quickly. This included developing and deploying new web tools, implementing system programming changes, educating IRS employees on new processes and procedures, creating new taxpayer letters and notices, and communicating extensively to taxpayers to ensure they had necessary information.

The IRS successfully met these challenges in just over four months following enactment of the ARP. Beginning in July 2021, eligible families received an advance payment of up to \$300 per month for each child under age 6 and up to \$250 per month for each child ages 6 to 17. As of December 15, 2021, Treasury and the IRS have delivered almost \$93 billion to families.

## National Security

An expanding array of transnational threats, continued instability in weak states, and the malicious use of critical and emerging technologies by adversaries, present security concerns for the U.S. that may impact the integrity of the U.S. financial system, which is foundational to our national security. As foreign and domestic actors threaten American economic and national security, we must apply our tools and strengthen bi-lateral and multi-lateral partnerships to defeat these threats and take a leading role in protecting the U.S. and international financial systems from abuse. In FY 2021, we leveraged our tools and authorities to combat malicious actors, strengthened the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime, advanced reform efforts, ensured foreign investments in the U.S. did not give rise to unresolved national security risks, and enhanced collaboration with allies and partners on investment screening best practices.

### SANCTIONS REVIEW

Sanctions are a key tool for the U.S. government to address critical national security and foreign policy threats. For this tool to be effective and fit to purpose for years to come, the authorities and processes we use to deploy sanctions should be continuously reviewed and updated to address emerging challenges. Further, we must effectively leverage our sanctions workforce across the Department, addressing recruitment and retention of high-skilled talent to meet the data and analytical needs required to support the growing array of work in the sanctions arena. If we do not commit to using the most updated analytic and collaborative technologies, we may not be able to stay abreast of, or effectively respond to, increasing stakeholder demands. This includes the ability to analyze complex financial and *Bank Secrecy Act* (BSA) data to identify emerging threats, identify new trends, and support national security events.

To overcome these challenges, we completed a comprehensive sanctions review and provided recommendations designed to promote a warranted, strategic, and judicious use of sanctions. Our review found that while sanctions remain an essential and effective policy tool, they also face new challenges, including rising risks from new payments systems, the growing use of digital assets, and cybercriminals, as well as situations where careful calibration can help limit the impact of sanctions on the flow of legitimate humanitarian aid to those in need.

We will also modernize and strengthen internal Treasury, U.S. government, and international coordination and engagement on sanctions to enhance effectiveness.

### TARGETED FINANCIAL MEASURES

Since the beginning of FY 2020 and continuing through FY 2021, we have established four new and six modified sanctions programs. This included the use of tools and authorities to deter Iran's nuclear and ballistic missile program, hindering Iran's support of global terrorism, and offsetting efforts to destabilize the Middle East, Burma, Hong Kong, Venezuela, and others.

On Iran, we targeted terrorist financing and money laundering activity and imposed a series of sanctions designed to disrupt Iran's nuclear program and its ability to acquire and sell conventional arms. We imposed sanctions on the Iranian ambassador to Iraq responsible for coordinating the activity of Iran's Islamic Revolutionary Guard Corps Quds Force (IRGC- QF) throughout Iraq. Additionally, we imposed sanctions on a huge network of 150 targets, in addition to metals and petrochemical companies. Through the Terrorist Financing Targeting Center's partnership with seven Gulf nations, joint sanctions against the Islamic State of Iraq and Syria, Hizballah, and Iran's IRGC-QF were successfully taken.



Additionally, we applied our tools and authorities against Venezuela's Maduro regime to deny the regime revenue and sanctioned members of the regime for human rights violations and corruption. We used sanctions to place pressure on North Korea, including designations focused on North Korea's continued supply of unlawful labor to overseas markets, which is used to generate income in contravention of United Nations sanctions. We countered Russian illicit financing by working with foreign partners and through strategic use of sanctions authorities.

On China, TFI realigned analytic resources to anticipate and analyze more thoroughly the security threats China poses and took action to impose costs on China for human rights abuses in Xinjiang and for undermining Hong Kong's autonomy. On Burma, we implemented a new sanctions regime in response to the Burmese military's coup against the democratically elected civilian government of Burma. In coordination with the issuance of a new Executive Order 14014, *Blocking Property with Respect to the Situation in Burma*, we designated, pursuant to that Executive Order, approximately 10 individuals and three entities connected to the military apparatus responsible for the coup. We took the actions quickly and at the direction of the White House, in response to violence and suppression of peaceful protests over the weekend of February 21, 2021.

## FINANCIAL SYSTEM TRANSPARENCY

To protect the integrity of markets and of the global financial framework, we have taken steps to increase transparency in the domestic and international systems by strengthening the U.S. AML/CFT regulatory framework and addressing the proliferation of virtual currency and new technologies that create potential vulnerabilities.

Permitting illicit actors to benefit from the stability and security of the U.S. financial system weakens financial transparency, distorts markets, and hurts ordinary Americans. Financial technology is growing and transforming the landscape of the financial industry, which is interconnected at a global level. Rapid evolution and adoption of new technologies can yield economic and social benefits and also present new potential for illicit financial activity.

U.S. financial institutions' resources may not be leveraged to their fullest potential. Treasury seeks to enhance financial institutions' ability to enhance the effectiveness of their BSA/AML programs and report robust, contextual, and timely information on the highest priority threats to support investigations.

The *Anti-Money Laundering Act of 2020* will strengthen and adapt the U.S. AML/CFT regulatory framework to collect beneficial ownership information and address emerging challenges and evolving regulatory requirements. We will also engage domestic and international partners to develop and implement financial transparency standards, enhance anticorruption efforts, and expand financial access and inclusion. In addition to the national AML/CFT priorities we published to inform risk-based supervision, we will publish a national illicit finance strategy to address priority threats.

## STRENGTHEN CYBERSECURITY

Technology is a core facet of the financial sector's functioning and faces an increasingly diverse and sophisticated array of cyber threats, including from trusted third parties. As the financial industry and federal government further rely on information and operational technology and computer networks, which can be vulnerable throughout the entire IT supply chain, we must address our own cybersecurity vulnerabilities and demonstrate leadership, ensure operational resiliency, and provide support to external stakeholders. This will help to ensure that the U.S. and global financial system and Treasury's infrastructure are hardened against cyber incidents and our full range of tools is deployed to counter malicious cyber actions.

Treasury and the financial services sector face increasing attacks from cyber criminals and state actors attempting to disrupt operations or steal data from sensitive systems. The tactics, techniques, and procedures perpetrators of these incidents use are constantly evolving. There is a risk that a successful cyberattack may seriously affect our operations or the operations of the financial sector more broadly. A breach of or inability of any of our high-value asset systems to execute core functions within established performance metrics could have nationwide and international ramifications.

To overcome these challenges, we are engaging domestic and international partners to enhance sector cyber hygiene. This includes efforts to improve resilience, continuity, and emergency preparedness, while also identifying and addressing technology vulnerabilities,

including the use of third-party service providers. We are also protecting financial infrastructure by leveraging existing authorities to detect, deter, and disrupt malicious cyber activities. Finally, we are upgrading, securing, and scaling technology resources to effectively support our current role in national security matters, and in accordance with the Presidential Executive Order 14028, *Improving the Nation's Cyber Security*.

## Financial Stability

The COVID-19 pandemic exposed existing vulnerabilities in the financial system, especially in the nonbank financial sector and created stress to global and domestic economies. To improve financial resiliency ahead of the next crisis, and reduce associated costs to the economy, the financial sector must address vulnerabilities in financial markets through responsible regulatory reforms. These reforms include improved liquidity risk management and adjustments to the financial market infrastructure in light of changes in technology and investor demand.

### RESILIENT MARKETS

Treasury and municipal securities markets have evolved significantly as the industry, regulatory environment, trading practices and investor demands have changed. Some elements have not kept pace, raising risks that these critical markets are vulnerable to stresses, which could have significant consequences for economic growth and financial stability. We can help mitigate vulnerabilities by supporting developments that improve the resilience of these markets to stresses and reducing government borrowing costs over time. With federal, state, and local government debt now exceeding \$32 trillion, ensuring that these markets remain resilient and able to support all other priorities outlined in this plan, including equitable economic growth and addressing climate change, is a critical component of sound fiscal policy.

To overcome these challenges, we will evaluate structural changes in the Treasury securities markets, and put forward recommendations to make the markets more resilient to future disruptions, and promote the central role of U.S. Treasury securities in global finance. We will also evaluate structural changes in the municipal securities market and make recommendations to promote greater efficiency, liquidity, and transparency.

### FINANCIAL INNOVATION

Treasury promotes a financial system that delivers inclusive access to financial services that effectively meet the needs of market participants, while maintaining financial stability and market integrity. Emerging financial technologies have accelerated aspirations for a more equitable and inclusive financial system.

Many innovations in digital finance (*e.g.*, digital assets) remain nascent, with both risks and benefits that have yet to be assessed. Other innovations, such as mobile money, digital lending, and consumer data analytics, are relatively more mature and have already demonstrated the potential to improve the delivery of payments and other financial services for many Americans. But more can and should be done to reach those whose financial needs remain unmet by the financial services sector. Expanding access to digital financial services (payments, credit, saving, insurance) is a key component to increasing financial inclusion, domestically and internationally.

We encourage the responsible use of innovative financial technology, both across the financial sector and in our own programs, to deliver affordable and secure financial services that better serve consumers and small businesses. Keeping pace with private sector developments in digital finance could help ensure an informed approach across the federal government to facilitating a stable and accessible financial system. Failing to do so could result in financial regulation becoming unresponsive to the needs and expectations of the public.

Similarly, we are improving our own financial activities by leveraging private sector technology to better execute federal financial management services, secure U.S. currency from counterfeiting, and deliver payments to the public. Our commitment to transition to electronic payments from physical payments (*e.g.*, checks) has the potential to advance both our financial inclusion and net-zero carbon goals

## Combating Climate Change

The U.S. and the world face a climate crisis and a narrowing window to act to avoid the worst impacts of climate change. At the same time, the transition to a low-carbon economy presents a historic economic opportunity for the U.S. and global economy. The U.S. federal government must work alongside our domestic and international partners to respond ambitiously to tackle the challenges of climate change, adapt to an already changing climate, mitigate the risks, and position the global economy for clean and sustainable growth.

In April 2020, we created a new Climate Hub and appointed a Climate Counselor to coordinate and lead efforts to address climate change. The Climate Hub will focus on the broad range of our climate-related policy work connected to 1) climate transition finance; 2) climate-related economic and tax policy; and 3) climate-related financial risks.

In July 2021, we published the first edition of Climate Action Plan as a response to Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*. It focuses on our efforts on a wide range of international and domestic policy fronts, as well as our management of facilities, operations, procurements, and financial investments to bolster adaptation and increase resilience to the impacts of climate change.

Pursuant to Executive Order 14030, *Climate-Related Financial Risk*, we are also supporting the development of a government-wide Climate-Related Financial Risk Strategy and engaging with Financial Stability Oversight Council member agencies to advance efforts to provide financial regulators, financial institutions, and investors with the best information and data to measure climate-related financial risks. The Federal Insurance Office is also assessing climate-related issues in the supervision of insurers, as well as further assessing the potential for major disruptions of private insurance coverage in U.S. markets that are particularly vulnerable to climate change impacts.



Source: Adobe Stock

### Climate Action

In 2021, we joined the Coalition of Finance Ministers for Climate Action, assumed co-chairmanship of the G20 Sustainable Finance Working Group, and established bilateral sustainable finance framework discussions with South Africa, Indonesia, and India.

### LEADING GLOBAL COMMITMENTS/ACTION

Climate change is an economic, financial, humanitarian, and national security issue. Failure to take swift steps to address its effects will be devastating to the global community. Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*, calls for international engagement to go hand-in-hand with domestic action to address climate change. In addition, the EO called for the development of the first-of-its kind U.S. International Climate Finance Plan, which was released in April 2021 and outlines a series of actions we will take to respond to the Executive Order. Recognizing the potential future effects of climate change, an already changing climate, and the need to act swiftly, we are re-engaging with international partners, both bilaterally and multilaterally, to act and put the world on a sustainable climate pathway.

We will also promote global efforts to phase out public finance of carbon-intensive fossil fuels by scaling back support for international investments in carbon-intensive projects and setting an example by eliminating domestic subsidies. In August 2021, we issued Fossil Fuel Energy Guidance for Multilateral Development Banks (MDBs), which we advocate for MDB investments prioritizing clean energy, innovation, and energy

efficiency. This will help achieve a clean and sustainable future consistent with the development goals of the Paris Agreement.

Multilateral institutions are invaluable partners to the pursuit of sustainable, inclusive, and resilient development. President Biden announced ambitious climate finance pledges in April and September 2021. To support the U.S. pledge, we requested in our FY 2022 Budget \$1.25 billion for the Green Climate Fund to, in part, make good on our \$2 billion outstanding pledge, \$485 million to support other multilateral climate initiatives, and increased support for the multilateral development banks. Looking ahead, we will consider requesting funds for additional new contributions to the Green Climate Fund and other initiatives.

## SUSTAINABLE TREASURY OPERATIONS

Our mission, facilities, operations, and services are being impacted by climate disruptions, including global warming, sea level rise, more intense and frequent major weather events, and disruptions to energy availability. To address these impacts, we must improve mitigation efforts to reduce our greenhouse gas emissions, while adapting to a changing environment by making our facilities, operations, and critical supply chains more resilient to climate disruptions. We need to improve our workforces' knowledge and awareness of climate change, the science that supports climate policies, and the means to address the impacts of climate change on our mission and operations. To combat these challenges, we will use our purchasing power to reduce greenhouse gas emissions across our operations.

We will also make our real property portfolio more resilient to address the impacts of climate change. In FY 2022, each Bureau will perform an updated facility risk assessment, update its existing (or identify a new) adaptation action plan to address the highest risks, develop a timeline for each of its respective action plans, and identify any resource requirements. We will collectively assess common actions across Bureaus to minimize resources and efforts. The Treasury Operations Executive Council TOEC working group is already in place to collaborate on best practices and use common efforts.

We will transform our procurement policies and processes to consistently prioritize climate change considerations in purchasing decisions. Specific focus will include developing source selection sustainability evaluation factors, leveraging strategic sourcing opportunities to enable cost-effective purchasing of services and

products that support climate adaptation and resilience, identifying Treasury-wide procurement strategies to make federal facilities and operations more climate-ready and resilient, establishing meaningful metrics to track progress, and prioritizing opportunities to support disadvantaged communities.

Finally, we will work to increase climate-change knowledge and expertise through capability-building efforts in climate literacy and engagement and, where applicable, data strategies, coordination, or relevant process improvement efforts.

In response to Executive Order 14008's Section 211 *Climate Action Plans and Data and Information Products to Improve Adaptation and Increase Resilience*, we published the first edition of the Treasury Climate Action Plan, which prioritizes our efforts regarding our facilities and operations to bolster adaptation and increase resilience to the impacts of climate change.

Our Bureaus have undertaken many climate adaptive and resiliency actions, as well as environmental sustainability and energy management initiatives that are documented in annual Treasury Sustainability Plans. Our Bureaus will develop Bureau Climate Action Plans, as well as bureau-level climate action assessments and planning processes with a continual improvement management tool that is ready for deployment.

## Modernizing Treasury Operations

Modernizing Treasury's operations is critical to achieving our mission and strategic priorities. In particular, we will focus on a narrow set of enterprise-level improvements that, if made, will improve mission delivery across all organizations and strategic objectives. These include building and retaining a workforce that represents the diverse people and communities we serve, enabling the work routines of the future to capitalize on the lessons we learned from the pandemic work environment, strengthening decision-making through improved use of data, and increasing trust in government by building consistent customer experience. In FY 2021, we adopted strategies to prioritize employee safety during the pandemic, completed foundational work to both improve customer experience and promote data-driven decision making, and had mixed success in modernizing infrastructures.

## RECRUIT/RETAIN DIVERSE AND INCLUSIVE WORKFORCE

Employment opportunities and leadership roles within Treasury must represent the American people, including with respect to race, ethnicity, religion, sex, gender identity, sexual orientation, age, and disability. In addition to ensuring we are able to carry out our mission effectively and equitably, our efforts to become a more diverse and inclusive organization will also aid in fostering creativity, innovation, productivity, and higher levels of employee engagement.

To accomplish this, we need to increase our focus on developing a diverse pipeline for hiring and promotions and investing in training and development opportunities to improve retention and inclusion in our workforce. Different levels of funding and varied maturity levels in strategic human capital management across Treasury and our bureaus, combined with human resources challenges in the face of accelerating changes to mission and skill requirements, could erode our ability to meet our mission. Investing in recruitment and employee development, while creating a modernized environment (physical, virtual, and cultural) that best supports the workforce, will advance efforts to retain top talent and enable employees to focus on accomplishing our mission.

To address these challenges, we will employ measures to reach previously inaccessible talent. We will identify and mitigate sources of bias in selection and promotion processes. We will take steps to expand on a culture that demonstrates leadership commitment to a culture of inclusion, diversity, equity, and accessibility. Finally, we will take steps to provide a modern, equitable, and inclusive work experience.

## WORK RE-ENTRY/FUTURE WORK ROUTINES

The convergence of the COVID-19 pandemic and climate crisis has resulted in a critical decision point for Treasury about our immediate and long-term physical needs, such as facilities and office spaces and IT, as well as our human capital infrastructure. As the pace of change accelerates and we play a growing role in responding to national crises—foreseen and unforeseen—we must increase our agility, flexibility, and resilience.

How we work together is changing. Failure to support and empower the workforce will stifle the innovation needed to transform and meet the evolving needs of our customers. Technology advances have the potential to enable a more distributed and diverse workforce that can access the best talent anywhere, and a more sustainable and resilient infrastructure. We will also need to evolve our culture and provide equitable access to best-in-class tools, training, and facilities. To achieve this integrated vision, we must modernize our workplace infrastructure and work routines to meet a “whole person” culture, maintain competitiveness, and enable a “new normal” for an engaged and inclusive workforce of the future.

To overcome these challenges, we will equip the workforce with the skills, competencies, and flexibility to succeed in the future. We will transform work routines to meet changing customer and employee needs by fostering a culture of innovation and continuous improvement. Finally, we will modernize the physical and virtual workplace to provide an improved employee experience.



## BETTER USE OF DATA

We seek to fully unlock the value of our data for mission, service, and the public good. The *Foundations for Evidence-based Policymaking Act of 2018* required agencies to designate a Chief Data Officer, Evaluation Officer, and Statistical Official, and to assess their data maturity and capacity for evidence-building. Through these assessments, we identified many “pockets of excellence” where evidence generated through research, evaluation, analysis, and statistical activities is routinely used to inform decision-making. However, we lack maturity at the enterprise-level. Silos, inconsistent data standards, and resource constraints make it difficult to share data across the department and with other federal partners.

Our ability to support critical decisions across mission areas and detect emerging issues with data may be impeded by a lack of data accessibility and reliability, inability to successfully use and interpret the data, and/or capability to process or analyze data. To develop and maintain a culture where we generate high quality data products and evidence that are easy to consume and share, we must strengthen our data infrastructure, data governance, and analytic capabilities within our workforce.

To overcome these challenges, we will strengthen our ability to develop and use high-quality data through enterprise data governance and by adopting data standards. We will improve data infrastructure by modernizing our legacy systems, advancing the use of secure cloud services, and harnessing new and emerging technologies. We will also strengthen analytic capabilities across our workforce by improving data literacy. Finally, we will advance equity in our programs and services by increasing access to data that we can use to assess and measure equity and inform program policy and decision-making.

## IMPROVE CUSTOMER EXPERIENCE

We provide many critical services to the American people—from Main Street to Wall Street—and federal agencies. According to the American Customer Satisfaction Index, the federal government ranks among the bottom of all industries in the U.S. in customer satisfaction.

We are designated as a federal High Impact Service Provider due to the scale and impact of our public-facing services. In FY 2021, the IRS processed returns from 225.3 million individuals and businesses and assisted 68.6 million customers on the phone or in person. When the agency provides a modern, efficient customer experience, it increases Americans’ trust in government. When it develops cumbersome regulations or fails to deliver programs equitably, it negatively impacts perceptions of government services.

We must create a culture that focuses on the customer, leveraging the latest research and modern approaches to improving customer experience to improve its overall capabilities and practices. Failure to do so reduces program effectiveness and disrupts the efforts of other federal agencies we serve to better serve their customers.

To overcome these challenges, our managers have launched and communicated a Department-wide customer experience vision. We will use advanced analytic tools, research methods, and outreach to better understand our customers and potential disparate impacts. We will also create and update annually an inventory of high-impact services/journeys to enable a 360-degree view of the customer and prioritize service improvements across all of our customers. Finally, we will put the customer at the center of improvements across high-impact services/journeys using human centered design and continuous process improvement

## FY 2021 Operational Performance Measures

In FY 2021, we continued to deliver value to our customers, the American taxpayer. Our performance measures present data on service and operational outcomes for our core programs<sup>1</sup>. Table 3 contains trend information for key measures we use to assess our performance in core services and operations—programs that are critical to the proper functioning of the U.S. government. For each measure, we provide definitional information and briefly explain the trend in performance over the last four years. A full discussion of performance trends for all of our programs is included in the APR.

### SELECT PERFORMANCE MEASURES

| Bureau/<br>Office | Measure   | FY 18   | FY 19   | FY 20   | FY 21   | FY 21<br>Target | FY 21<br>Result vs Target |
|-------------------|---|---------|---------|---------|---------|-----------------|---------------------------|
| BEP               | <b>Manufacturing costs for currency—<br/>dollar costs per thousand notes<br/>produced</b>   | \$47.41 | \$51.01 | \$56.19 | \$61.81 | \$63.64         | Met                       |
|                   | This measure calculates the actual manufacturing cost for currency notes, which include direct labor costs, the cost of raw materials used, and related manufacturing overhead charges. The FY 2021 cost was lower than anticipated due to savings resulting from decreased spoilage, as well as the recovery of Series 2009 \$100 notes through the Single Note Inspection process.  |         |         |         |         |                 |                           |
|                   | <b>Currency Notes Delivered Returned<br/>Due to Defects—Parts per million</b>   | .0031   | .09     | .02     | .016    | 1               | Met                       |
|                   | This measure incentivizes continuous product quality improvement and reduces defect-driven returns of currency notes by the Federal Reserve back to BEP. BEP collects and tracks the number of notes by denomination that are returned from the Federal Reserve Banks. The target for this measure aligns with manufacturing industry quality standards.  |         |         |         |         |                 |                           |
| U.S. Mint         | <b>Circulating On-Time Delivery—<br/>percentage</b>   | 100%    | 100%    | 100%    | 100%    | 97.5%           | Met                       |
|                   | On-time delivery to the Federal Reserve Banks (FRB) is the percentage of total scheduled orders shipped on time to the FRB. The United States Mint is responsible for providing the Nation's coinage in sufficient quantity to meet the needs of commerce. To accomplish this mission, the United States Mint must supply coinage in the quantities and timelines specified by the FRB. The FRB is then responsible for distributing coinage to the commercial banking sector.  |         |         |         |         |                 |                           |
|                   | <b>Numismatic Sales Units—million units</b>   | 3.3     | 4.3     | 3.4     | 3.7     | 3.6             | Met                       |
|                   | The numismatic sales unit metric measures public demand for coin products sold from numismatic operations. This metric also measures performance results achieving the Mint's internal strategic plan goal, "Revitalization of products and customer base" and the Mint's internal strategic objective linked to this goal, "Increasing brand awareness   |         |         |         |         |                 |                           |
|                   | <b>Seigniorage per dollar issued</b>  | \$0.37  | \$0.40  | \$0.47  | \$0.37  | \$0.41          | Unmet                     |
|                   | Seigniorage per Dollar Issued is the financial return on circulating operations, calculated as seigniorage divided by the total face value of circulating coins shipped to the FRBs. Seigniorage is the difference between the face value and cost of producing circulating coinage. It measures the cost effectiveness of minting and issuing the United States' circulating coinage.  |         |         |         |         |                 |                           |
| TTB               | <b>Percent of permit applications<br/>processed within service standards</b>  | 71.2%   | 57.6%   | 84.1%   | 92.2%   | 85%             | Met                       |
|                   | This measure represents the overall rate at which TTB is meeting its annual service standard (75 days for FYs 2018 – 2021) 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 as to level of service. In FY 2021, TTB issued 92 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. |         |         |         |         |                 |                           |
| Fiscal Service    | <b>Percentage of Treasury Payments<br/>Made Electronically</b>  | 95.4%   | 95.6%   | 96.0%   | 96.2%   | 96.1%           | Met                       |
|                   | This measure provides the portion of the total volume of payments that is made electronically. FY 2020 and FY 2021 data does not include pandemic-related relief payments such as economic impact payments and advance child tax credit payments.   |         |         |         |         |                 |                           |
|                   | <b>Number of paper checks printed FYTD<br/>(millions)</b>   | 56.0    | 54.2    | 50.5    | 48.8    | 49.0            | Met                       |

<sup>1</sup> Bureaus and offices validate performance data each quarter. The FY 2021 Verification and Validation Report is available at: <https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/budget-requestannual-performance-plan-and-reports>



| Bureau/<br>Office | Measure  | FY 18 | FY 19 | FY 20 | FY 21 | FY 21<br>Target | FY 21<br>Result vs Target |
|-------------------|--|-------|-------|-------|-------|-----------------|---------------------------|
|                   | This measure provides the number of payments made via paper checks. FY 2020 and FY 2021 data does not include pandemic-related relief payments such as economic impact payments and advance child tax credit payments.   |       |       |       |       |                 |                           |
| IRS               | <b>Customer Service Representative Level of Service (LOS)</b>  | 75.9% | 65.4% | 53.1% | 18.5% | 32%             | Unmet                     |
|                   | This measure represents the number of toll-free callers that either speak to a Customer Service Representative or receive information messages divided by the total number of attempted calls. In FY 2021 the CSR LOS was 18.5 percent, falling short of the target. New legislation resulted in added, unplanned demand for the toll-free phone lines. Total Assistor Demand was more than 200 percent higher than in FY 2020 with some lines seeing increases of more than 2 million calls. Call disconnects were 1,477 percent higher in FY 2021 at 4.1 million compared to 260,000 in FY 2020. Through all of this, IRS was able to answer 3.8 million more calls in FY 2021 than the prior year. IRS continues to monitor demand in real time, allocating resources and shifting between telephones and paper processing to address demand during times of unprecedented call volume.   |       |       |       |       |                 |                           |
|                   | <b>Enterprise Self Assistance Participation Rate (ESAPR)</b>   | 82.0% | 85.4% | 90.6% | 92.3% | 89%             | Met                       |
|                   | This measure represents the percent where a taxpayer uses one of the IRS's self-assistance service channels (e.g., automated calls, web services) versus needing support from an IRS employee (e.g., face-to-face, over the phone, or via paper correspondence). In FY 2021, the ESAPR was 92.3 percent, exceeding the target of 89.0 percent and 1.9 percent higher than the prior year. Compared to FY 2020, total services increased 36.4 percent, self-assisted services increased 38.9 percent, and assisted services rose 12.4 percent.  |       |       |       |       |                 |                           |
|                   | <b>Timeliness of Critical Individual Filing Season Tax Products to the Public</b>  | 59.6% | 92.6% | 78.4% | 92%   | 85%             | Met                       |
|                   | This measure represents the percentage of Critical Individual Filing Season (CIFS) tax products available to the public seven calendar days before the official IRS start of the filing season. CIFS tax products include tax forms, schedules, instructions, publications, tax packages, and certain notices required by numerous filers to prepare a complete and accurate return. The timeliness of CIFS tax products ended the fiscal year at 92.0 percent, exceeding the FY 2021 target of 85.0 percent. This accomplishment was partially due to the enactment of the P.L. 116-260, Consolidated Appropriations Act, 2021, which determined the February 12 filing season start date. The legislation provided more time to meet the annual goal. Additional factors that contributed to exceeding this year's target include prioritizing work on the release of critical products; planning for legislative changes to quickly re-prioritize work targeted to critical products impacted by the law; granting of overtime, credit, and compensatory time during workdays, weekends and holidays; and workload planning and monitoring by management as well as the efforts of our employees. |       |       |       |       |                 |                           |
| FinCEN            | <b>Percentage of Domestic Law Enforcement and Foreign Financial Intelligence Units finding FINCEN's Analytic Products Valuable to the detection and deterrence of illicit activity</b>   | 95%   | 92%   | 97%   | 96%   | 90%             | Met                       |
|                   | This performance measure tracks what the analytics products are intended to do (e.g., to be useful to a wide range of customers and have impact, such as identify new leads or provide previously unknown information). In FY 2020, 97 percent found that the analytic products and research had impact on investigations, meeting the target of 90 percent or above. FinCEN was able to achieve this high level of performance by continuously improving processes to increase and more rapidly disseminate financial intelligence information reports to a wider audience, by maintaining the high quality of its reporting through stringent review processes, and by covering issues and topics that meet the operational and informational demands of its domestic and international stakeholders.  |       |       |       |       |                 |                           |
| Management        | <b>Treasury-wide EVS Satisfaction Index</b>  | 63%   | 66%   | 75%   | TBD   | 75%             | TBD                       |
|                   | 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. Due to the timing of this year's survey the FY 2021 FEVS results will not be available until February 2022.   |       |       |       |       |                 |                           |
|                   | <b>Percent of Procurement Dollars Spent of Small Business</b>  | 42.6% | 40.4% | 45.0% | 39.9% | 36%             | Met                       |
|                   | 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.   |       |       |       |       |                 |                           |

| Bureau/<br>Office                                       | Measure  | FY 18 | FY 19 | FY 20 | FY 21 | FY 21<br>Target | FY 21<br>Result vs Target |
|---|--|-------|-------|-------|-------|-----------------|---------------------------|
| Office of<br>International<br>Affairs                   | <b>Percentage of Committee on Foreign Investment in the United States (CFIUS) Cases Reviewed within Statutory Timeframes, reported by calendar year</b>  | 100%  | 100%  | 100%  | TBD   | 100%            | TBD                       |
|   | 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. Results are reported on a calendar year basis.  |       |       |       |       |                 |                           |
| Office of<br>Terrorism and<br>Financial<br>Intelligence | <b>Number of New or Modified Sanctions Programs Established by Executive Order or Congressional Mandate</b>  | 5     | 7     | 6     | 7     | N/A             | N/A                       |
|   | This indicator tracks the number of new or modified sanctions programs that 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. |       |       |       |       |                 |                           |

# 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 people 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 grew from ORM's efforts to support agencies in their implementation of ERM, including the July 2016 publication of the Playbook: Enterprise Risk Management (ERM) for the U.S. Federal Government. This government-wide working group meets bi-monthly to discuss common risks and various methods of implementing the guidelines of the Circular.

## ENTERPRISE RISKS AND CHALLENGES

Through the FY 2021 SOAR and enterprise risk management process, we identified the following cross-cutting operational risks.

**Evolving Cyber Climate:** Treasury and the financial services sector face increasing attacks from cyber criminals and state actors

attempting to disrupt operations or steal data from sensitive systems. The tactics, techniques, and procedures perpetrators of these incidents use are constantly evolving.

**Workforce Management:** Our mission capability may be eroded due to operational challenges in human resources, such as recruitment, training and development, personnel security, and diversity and inclusion. These challenges may be intensified when paired with changing mission and skill requirements.

**Data Analytics Capabilities, Sharing, and Infrastructure:** Our ability to support critical decisions with data may be negatively affected by a lack of data accessibility and reliability, inability to successfully use and interpret the data, or inability to process or analyze data due to insufficient or aging infrastructure.

### 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.

**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, resulting in our inability to successfully deliver our mission, constrained progress in critical areas, and/or challenges for employees, contractors, customers, and taxpayers.

**Procurement, Acquisition, and Vendors:** We may be unable to timely acquire necessary products and services, initiate work under contracts, and effectively monitor contract execution due to supply chain vulnerabilities such as supplier risk, single vendors, lost time, and inefficient contracts. This may result in a failure to deliver on mission needs.

## FY 2022 OUTLOOK

---

The FY 2022 – 2026 Strategic Plan describes the long-term goals and objectives we aim to achieve during this Administration, building from the progress made and challenges identified in FY 2021.

Our FY 2021 SOAR outlined several focus areas that will shape the development of our future priorities: (1) tax administration and policy; (2) strategic threat disruption; (3) cyber resiliency of financial systems and institutions; 4) resilient government securities markets; and (5) customer experience practices.

Looking ahead, we shaped our strategic goals around five key priority areas: (1) promoting equitable economic growth and recovery; (2) enhancing national security; (3) protecting financial stability and resiliency; (4) combating climate change; and (5) modernizing Treasury operations.

To achieve progress on these priorities, we will continue to manage the Department’s programs under the CARES Act, CAA, and ARP. We will also pursue priorities as described in Executive Order 14008: *Tackling the Climate Crisis at Home and Abroad*, Executive Order 14030: *Climate-Related Financial Risk*, and Executive Order 13985 *Advancing Racial Equity and Support for Underserved Communities through the Federal Government*.

## ADDITIONAL INFORMATION

---

### SUMMARY OF MANAGEMENT AND PERFORMANCE CHALLENGES

In accordance with the *Reports Consolidation Act* of 2000, the Inspectors General are required to identify specific management and performance challenges we face. 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.<sup>2</sup>

#### OIG – IDENTIFIED MANAGEMENT CHALLENGES

- Coronavirus Disease 2019 (COVID-19) Pandemic Relief
- Transition of New Administration (new)
- Cyber Threats
- Anti-Money Laundering/Terrorist Financing and Bank Secrecy Act Enforcement
- Efforts to Promote Spending Transparency and To Prevent and Detect Improper Payments
- Information Technology Acquisition and Project Management

#### TIGTA – Identified Management Challenges

- Administration of Tax Law Changes and Pandemic Relief Benefits;
- Enhancing Security of Taxpayer Data and Protection of IRS Resources;
- Improving Tax Reporting and Payment Compliance to Reduce the Tax Gap;
- Modernizing IRS Operations;
- Improving Customer Service and the Taxpayer Experience;
- Addressing Emerging Threats to Tax Administration;
- Reducing Fraudulent Claims and Improper Payments;
- Increasing International Tax Compliance;
- Protecting Taxpayer Rights; and
- Human Capital.

#### GAO – Identified High-Risk Areas

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

### 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

---

<sup>2</sup> The FY 2021 AFR is available at <https://home.treasury.gov/system/files/266/Treasury-FY-2021-AFR.pdf> . The response letters are on pages 230-238 (OIG) and 251-255 (TIGTA).

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](http://www.gao.gov). Executive summaries and detailed reports are also 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>.

### **Reporting Methodology and Report Structure**

This report includes GAO, OIG, and TIGTA recommendations issued between 2/1/2014 and 1/31/2021 (7 years per Treasury's record retention policy) that remained unimplemented for one year or more from the planned fiscal year 2023 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 A: A listing of acronyms used throughout this report.

## 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. The Evidence Act challenges agencies to rethink how they are currently using and organizing evidence. 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 2023 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.<sup>3</sup>

## 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 2021 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.

## 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 2023 Congressional Justification. Please see <https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/budget-requestannual-performance-plan-and-reports> for more information.

---

<sup>3</sup> The Treasury FY 2022 – 2026 Learning Agenda and Capacity Assessment and the FY 2023 Annual Evaluation Plan are available at: <https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/budget-requestannual-performance-plan-and-reports>



## SUMMARY OF FY 2023 APPROPRIATIONS LANGUAGE

---

Note—A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes these accounts are operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117–43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

### 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, \$293,242,000: 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 shall remain available until September 30, 2024, 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.*

### 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, \$212,059,000, 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 shall remain available until September 30, 2024.*

### CYBERSECURITY ENHANCEMENT ACCOUNT

---

*For salaries and expenses for enhanced cybersecurity for systems operated by the Department of the Treasury, \$215,000,000, to remain available until September 30, 2025: 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 \$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; and for repairs and renovations to buildings owned by the Department of the Treasury, \$11,118,000, to remain available until September 30, 2025: 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, \$43,878,000, 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, 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, \$20,000,000, 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, 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; \$182,409,000, of which \$5,000,000 shall remain available until September 30, 2024; 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.*

## **SPECIAL INSPECTOR GENERAL FOR PANDEMIC RECOVERY**

---

### **SALARIES AND EXPENSES**

*For necessary expenses of the Office of the Special Inspector General for Pandemic Recovery in carrying out section 4018 of the Coronavirus Aid, Relief, and Economic Security Act of 2020 (Public Law 116–136), in addition to amounts otherwise available for such purpose, \$25,000,000, to remain available until September 30, 2025.*

## **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, \$331,420,000. Of the amount appropriated under this heading—*  
*(1) not less than \$217,383,000, 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, 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 \$6,000,000, 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 not less than \$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 2011–2015 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 \$21,500,000, notwithstanding section 108(e) of Public Law 103–325 (12 U.S.C. 4707(e)), is available until September 30, 2024, 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 \$26,000,000 is available until September 30, 2024, for the Bank Enterprise Award program;*

*(4) not less than \$23,000,000, 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, 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 \$8,500,000 is available until September 30, 2024, 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 \$35,037,000 is available until September 30, 2023, 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 Fund 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 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: 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 2011–2015 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 \$45,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, \$210,330,000, of which not to exceed \$94,600,000 shall remain available until September 30, 2025 for information technology and to implement Division F of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283).*

## **BUREAU OF THE FISCAL SERVICE**

---

### **SALARIES AND EXPENSES**

*For necessary expenses of operations of the Bureau of the Fiscal Service, \$372,485,000; of which not to exceed \$8,000,000, to remain available until September 30, 2025, is for information systems modernization initiatives; and of which \$5,000 shall be available for official reception and representation expenses. In addition, \$165,000, 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, \$150,863,000; of which \$5,000,000 shall remain available until September 30, 2024; 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.*

## **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 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, associated support costs, and other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$3,684,593,000; of which not to exceed \$100,000,000 shall remain available until September 30, 2024; 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 \$30,000,000, to remain available until September 30, 2024, shall be available for the Community Volunteer Income Tax Assistance Matching Grants Program for tax return preparation assistance; and of which not less than \$235,000,000 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 \$5,500,000 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)), associated support costs, and to provide other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$6,272,313,000; of which not to exceed \$250,000,000 shall remain available until September 30, 2024; of which not less than \$60,257,000 shall be for the Interagency Crime and Drug Enforcement program; and of which not to exceed \$21,000,000 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, including headquarters; 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; \$3,833,734,000; of which not to exceed \$275,000,000*

*shall remain available until September 30, 2024; 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, 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, 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, \$310,027,000, to remain available until September 30, 2025, 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 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.*

## **ADMINISTRATIVE PROVISIONS— INTERNAL REVENUE SERVICE**

---

**SEC. 101.** *Not to exceed 4 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 advance notice to the Committees on Appropriations of the House of Representatives and the Senate: Provided, That an additional 2 percent of the appropriation made available in this Act to the Internal Revenue Service under the "Enforcement" heading may be transferred to the appropriation made available in this Act to the Internal Revenue Service under the "Taxpayer Services" heading upon advance notice to 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).*

## **ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY**

---

**SEC. 111.** *Notwithstanding any Congressional notification requirements for a reprogramming of funds in this Act, funds provided in this Act for the Internal Revenue Service shall be available for obligation and expenditure through a reprogramming of funds that augments or reduces existing programs, projects, or activities by up to \$10,000,000 without prior Congressional notification of such action.*

**SEC. 111.** *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. 112.** *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 notification of the Committees on Appropriations of the House of Representatives and the Senate: Provided, That no transfer under this section may increase or decrease any such appropriation by more than 2 percent.*

**SEC. 113.** *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 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. 114.** *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. 115.** *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. 116.** *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 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. 117.** *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 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. 118.** *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 until the enactment of the Intelligence Authorization Act for Fiscal Year 2023.*

**SEC. 119.** *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. 120.** *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. 121.** *During fiscal year 2023— (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. 122.** *(a) Not later than 60 days after the end of each quarter, 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 Research shall make officials available to testify on the contents of the reports required under subsection (a).*

**SEC. 123.** *Notwithstanding any other provision of law, the unobligated balances from amounts made available to the Secretary of the Treasury for administrative expenses pursuant to sections 4003(f) and 4112(b) of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136); section 421(f)(2) of Division N of the Consolidated Appropriations Act, 2021 (Public Law 116–260); sections 3201(a)(2)(B), 3206(d)(1)(A), and 7301(b)(5) of the American Rescue Plan Act of 2021 (Public Law 117–2); and section 602(a)(2) of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021 (Public Law 117–2), shall be available for any administrative expenses determined by the Secretary of the Treasury to be necessary to respond to the coronavirus, including but not limited to expenses necessary to implement any provision of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136), Division N of the Consolidated Appropriations Act, 2021 (Public Law 116–260), the American Rescue Plan Act (Public Law 117–2), or title VI of the Social Security Act: Provided, That such unobligated balances shall be available in addition to any other appropriations provided for such purposes.*

**SEC. 124.** *Section 121 of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5231) is amended in subsection (e)(1)(B)(ii) by striking "subparagraph" and all that follows through the period at the end and inserting "subparagraph, the Special Inspector General may not make any*

*appointment that exceeds 18 months or that extends beyond the date on which the Special Inspector General terminates under subsection (k).".*

**SEC. 125.** *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, 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, 2026.*

---