FY 2025 EXECUTIVE SUMMARY

President's Budget Discretionary Appropriation Request

Dollars in Thousands

	FY 2023 Enacted (pre IRS transfer)	FY 2023 Enacted (post IRS transfer)	FY 2024 Annualized CR	FY 2025 President's Budget
Management & Financial	**$1,880,728**	**$1,880,728**	**$1,871,728**	**$2,038,259**
Departmental Offices Salaries and Expenses [1]	$273,882	$273,882	$273,882	$312,294
Committee on Foreign Investment in the United States (CFIUS) Fund	$21,000	$21,000	$21,000	$21,000
CFIUS Fees	($21,000)	($21,000)	($21,000)	($21,000)
Office of Terrorism and Financial Intelligence [1]	$216,059	$216,059	$216,059	$230,533
Cybersecurity Enhancement Account	$100,000	$100,000	$100,000	$150,000
Department-wide Systems and Capital Investments Program	$11,118	$11,118	$11,118	$14,470
Office of Inspector General	$48,878	$48,878	$48,878	$50,174
Treasury Inspector General for Tax Administration [1]	$174,250	$174,250	$174,250	$179,026
Special Inspector General for TARP[3]	$9,000	$9,000	$0	$0
Special Inspector Pandemic Recovery[3]	$12,000	$12,000	$12,000	$5,327
Community Development Financial Institutions Fund	$324,000	$324,000	$324,000	$324,908
Financial Crimes Enforcement Network [1]	$190,193	$190,193	$190,193	$215,689
Alcohol and Tobacco Tax and Trade Bureau	$148,863	$148,863	$148,863	$159,679
Bureau of the Fiscal Service	$372,485	$372,485	$372,485	$396,159
Tax Administration [1, 2]				
Internal Revenue Service Total	**$12,319,054**	**$12,319,054**	**$12,319,054**	**$12,319,054**
Taxpayer Services	$2,780,606	$2,880,606	$2,780,606	$2,780,606
Enforcement	$5,437,622	$5,165,741	$5,437,622	$5,437,622
Technology and Operations Support	$4,100,826	$4,122,707	$4,100,826	$4,100,826
Business Systems Modernization	$0	$150,000	$0	$0
Subtotal, Treasury Appropriations excluding TEOAF	**$14,199,782**	**$14,199,782**	**$14,190,782**	**$14,357,313**
Treasury Executive Office of Asset Forfeiture (TEOAF) Permanent Rescission	($150,000)	($150,000)	($150,000)	$0
Subtotal, Treasury Appropriation including TEOAF	**$14,049,782**	**$14,049,782**	**$14,040,782**	**$14,357,313**
Treasury International Programs				
Multilateral Development Banks	$1,906,315	$1,906,315	$1,906,315	$2,168,215
IMF Facilities and Trust Funds	$20,000	$20,000	$20,000	$0
Energy and Environment Funds	$275,200	$275,200	$275,200	$300,200
Food Security	$53,000	$53,000	$53,000	$54,000
Global Infrastructure Facility	$0	$0	$0	$5,000
Office of Technical Assistance	$38,000	$38,000	$38,000	$40,000
Debt Restructuring and Relief	$72,000	$72,000	$72,000	$10,000
Treasury Int'l Assistance Programs	$0	$0	$0	$15,000
Subtotal, excluding rescissions	**$2,364,515**	**$2,364,515**	**$2,364,515**	**$2,592,415**
Rescission: Debt Restructuring	$0	$0	$0	($111,000)
Treasury International Programs Subtotal, including rescissions	**$2,364,515**	**$2,364,515**	**$2,364,515**	**$2,481,415**
Total, Treasury Appropriations excluding TEOAF and Debt Restructuring Rescissions	**$16,564,297**	**$16,564,297**	**$16,555,297**	**$16,949,728**
Total, Treasury	**$16,414,297**	**$16,414,297**	**$16,405,297**	**$16,838,728**

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

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

[3]SIGTARP completed operations per statute in FY 2024. The FY 2025 Budget assumes SIGPR wind down in FY 2025 as in current law.

MISSION STATEMENT

Maintain a strong economy and create economic and job opportunities by promoting conditions that enable economic growth and stability at home and abroad; strengthen national security by combating threats and protecting the integrity of the financial system; and manage the U.S. government's finances and resources effectively.

OVERVIEW OF REQUEST

The Budget requests $14.4 billion in base discretionary resources for the Department of the Treasury's domestic programs, a $.2 billion or 1 percent increase from the FY 2023 enacted level.

- Protects Improvements to Taxpayer Experience and Supports Ensuring the Wealthy and Big Corporations Pay the Taxes They Owe. The Inflation Reduction Act addressed long-standing Internal Revenue Service (IRS) funding deficiencies by providing stable, multi-year funding to improve tax compliance by finally cracking down on high-income individuals and corporations who have too often avoided paying their lawfully owed taxes, and improving service for the millions of Americans who do pay their taxes. The IRS is using Inflation Reduction Act funding to modernize its information technology infrastructure, administer new clean energy tax credits, rebuild the administrative capacity of the Agency to better assist taxpayers, and crack down on tax evasion by the wealthy and big corporations. These goals can only be realized if annual discretionary appropriations are provided to maintain and protect current services. To ensure that taxpayers continue to receive high-quality customer service and that all Americans are treated fairly by the U.S. tax system, the Budget maintains annual funding at the 2023 level for all IRS activities and provides a total of $12.3 billion for the Agency. In addition to annual discretionary funding, the Budget proposes to restore the full Inflation Reduction Act investment and provide new funding over the long-term to maintain progress on service enhancements and deficit-reducing tax compliance initiatives. This proposal reflects a robust research base demonstrating that program integrity investments to enforce existing tax laws increase revenues in a progressive way and, in doing so, shrink the tax gap—the difference between taxes owed and taxes paid.
- Promotes Access to Capital to Underserved Communities. The Budget provides $325 million for the Community Development Financial Institutions (CDFI) Fund, an increase of $1 million above the 2023 level, and $55 million, or a 20-percent increase above the 2021 level, to provide access to credit and technical assistance to historically underserved and often low-income communities. To address the shortage of long-term affordable credit for development projects in disadvantaged communities, the Budget also includes a $10 million subsidy for the CDFI Fund's Bond Guarantee Program and proposes changes to broaden participation while still minimizing the risk of loss to the Federal Government. The Budget would also broaden access to the Small Dollar Loan Program, allowing more organizations to participate in the program that supports individuals seeking affordable credit building loans and alternatives to costly payday loans.

- Combats Terrorism and Corruption and Increases Corporate Transparency. Treasury plays a leading role in monitoring and disrupting corruption, money laundering, terrorist financing, the use of the financial system by malicious actors domestically and abroad, and combatting the trafficking of illicit substances such as fentanyl in American communities. The Budget provides $231 million to the Office of Terrorism and Financial Intelligence, $15 million above the 2023 level, to expand Treasury's capacity to provide financial intelligence and conduct sanctions-related economic analysis while continuing to modernize the sanctions process. These investments would expand Treasury's ability to craft, implement, and enforce sanctions, including the historic sanctions program targeting Russia's illegal war in Ukraine, and sanctions on key Hamas terrorist group members and financial facilitators in Gaza. The Budget also provides $216 million for the Financial Crimes Enforcement Network, $26 million above the 2023 level, to support Beneficial Ownership Information reporting which will be required for existing covered companies beginning in 2025. This reporting will provide investigative tools making it harder for bad actors to hide or benefit from their ill-gotten gains through shell companies or other opaque ownership structures.
- Builds Critical Agency Capacity to Address Emerging Threats. The Budget provides $312 million for Treasury's Departmental Offices, an increase of $38 million, or a 14-percent increase above the 2023 level, to continue to rebuild staffing levels for Treasury's core policy offices and support Treasury's role in promoting investment security in sensitive technologies and products critical to the national security of the United States. The increase in funding would also allow Treasury to support a Chief Artificial Intelligence Officer to ensure responsible use and development of artificial intelligence capabilities. The Budget builds institutional capacity to support Treasury-wide coordination of program evaluation and expand engagement with historically underrepresented and underserved groups to advance equity across all Treasury programs.
- Strengthens Enterprise Cybersecurity. The Budget provides $150 million for the Cybersecurity Enhancement Account, an increase of $50 million above the 2023 level, to protect and defend sensitive agency systems and information, including those designated as high-value assets. The Budget increases centralized funding to strengthen Treasury's overall cybersecurity efforts and to continue the implementation of a Zero Trust Architecture. These investments would protect Treasury's systems, and the American public's sensitive data safeguarded within these systems, from future attacks. The Budget also provides $396 million for the Bureau of the Fiscal Service, $24 million above the 2023 level. This includes funding to enhance the security posture of core Government financial systems by modernizing and transitioning all mainframe applications to the secure cloud.

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

Appropriation[1]	2023 Actual Direct	2023 Actual Reimb.	2023 Actual Total	2024 Annualized CR Direct	2024 Annualized CR Reimb.	2024 Annualized CR Total	2025 President's Budget Direct	2025 President's Budget Reimb.	2025 President's Budget Total
Departmental Offices Salaries and Expenses[2]	848	44	**892**	918	41	**959**	974	41	**1,015**
DO-IRA (non-add)	*30*	-	***30***	*77*	-	***77***	*67*	-	***67***
Terrorism and Financial Intelligence	594	34	**628**	623	32	**655**	644	32	**676**
Cybersecurity Enhancement	13	-	**13**	34	-	**34**	34	-	**34**
Office of Inspector General	241	-	**241**	210	-	**210**	210	-	**210**
Treasury Inspector General for Tax Administration	705	2	**707**	789	2	**791**	792	2	**794**
TIGTA-IRA (non-add)	*60*	-	***60***	*139*	-	***139***	*142*	-	***142***
Special Inspector General for TARP	29	-	**29**	7	-	**7**	-	-	**-**
Special Inspector General for Pandemic Recovery	53	-	**53**	38	-	**38**	11	-	**11**
Community Development Financial Institutions Fund	80	-	**80**	102	-	**102**	102	-	**102**
Financial Crimes Enforcement Network	273	1	**274**	289	3	**292**	304	3	**307**
Alcohol and Tobacco Tax and Trade Bureau	503	10	**513**	539	11	**550**	568	11	**579**
Bureau of the Fiscal Service[3]	1,759	10	**1,769**	1,817	9	**1,826**	1,839	19	**1,858**
Internal Revenue Service[4]	82,987	472	**83,459**	82,141	652	**82,793**	89,727	685	**90,412**
IRS-IRA (non-add)	-	-	**-**	*14,504*	-	***14,504***	*28,401*	-	***28,401***
IRS Energy Security (non-add)	-	-	**-**	*1,810*	-	***1,810***	*1,810*	-	***1,810***
Subtotal, Treasury Appropriated Level, Excluding IRA	**87,995**	**573**	**88,568**	**70,977**	**750**	**71,727**	**64,785**	**793**	**65,578**
Subtotal, Treasury Appropriated Level	**88,085**	**573**	**88,658**	**87,507**	**750**	**88,257**	**95,205**	**793**	**95,998**
Office of Financial Stability (Administrative Account)	6	-	**6**	2	-	**2**	-	-	**-**
Office of Capital Access[4]	79	-	**79**	105	-	**105**	100	.	**100**
Community Development Financial Institutions Fund, Emergency Support	6	-	**6**	4	-	**4**	4	-	**4**
Capital Magnet Fund	7	-	**7**	9	-	**9**	9	-	**9**
Office of Financial Research	134	-	**134**	213	-	**213**	231	-	**231**
Financial Stability Oversight Council	25	-	**25**	44	-	**44**	48	-	**48**
Treasury Franchise Fund	-	2,062	**2,062**	-	2,252	**2,252**	-	2,263	**2,263**
Bureau of Engraving and Printing	-	1,904	**1,904**	-	1,925	**1,925**	-	1,925	**1,925**
United States Mint	-	1,598	**1,598**	-	1,705	**1,705**	-	1,705	**1,705**
Office of the Comptroller of the Currency	-	3,475	**3,475**	-	3,639	**3,639**	-	3,639	**3,639**
Terrorism Insurance Program	10	-	**10**	14	-	**14**	14	-	**14**
IRS Private Collection Agent Program[4]	717	-	**717**	918	-	**918**	918	-	**918**
Subtotal, Treasury Non-Appropriated Level	**984**	**9,039**	**10,023**	**1,309**	**9,521**	**10,830**	**1,324**	**9,532**	**10,856**
Total, Treasury, Excluding IRA	**88,979**	**9,612**	**98,591**	**72,286**	**10,271**	**82,557**	**66,109**	**10,325**	**76,434**
Total, Treasury	**89,069**	**9,612**	**98,681**	**88,816**	**10,271**	**99,087**	**96,529**	**10,325**	**106,854**

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

2/ Departmental Offices presentation include Direct FTE funded from the Social Impact Demonstration Projects account, the Office of Technical Assistance account, and the Committee on Foreign Investment in the United States Fund.

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

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

Summary of FY 2025 Increases and Decreases

(Dollars in Thousands)

	DO	CFIUS[1]	TFI	Cyber[2]	DSCIP	OIG	TIGTA	SIGPR[3]	CDFI	FinCEN	TTB	BFS	IRS	Total
FY 2024 Annualized CR	**$273,882**	**$0**	**$216,059**	**$100,000**	**$11,118**	**$48,878**	**$174,250**	**$12,000**	**$324,000**	**$190,193**	**$148,863**	**$372,485**	**$12,319,054**	**$14,190,782**
Maintaining Current Levels (MCLs)	$7,383	$0	$5,431	$2,236	$0	$1,296	$4,776	$322	$870	$4,537	$3,833	$9,711	$329,551	$369,946
Pay Annualization	$2,109		$1,420	76		$532	$1,842	$142	$210	$741	$1,173	$3,183	$118,950	$130,378
Pay Raise	$2,466		$1,660	89		$455	$2,153	$121	$245	$866	$1,371	$3,720	$139,036	$152,182
Non-Pay	$2,808		$2,351	2,071		$309	$781	$59	$415	$2,930	$1,289	$2,808	$71,565	$87,386
Non-Recurring Costs				($17,293)	($11,118)									($28,411)
Technical Adjustments											$5,199		($329,551)	($324,352)
Adjustment to Reach Winddown Level								($6,995)						($6,995)
Adjustments to Base	**$7,383**	**$0**	**$5,431**	**($15,057)**	**($11,118)**	**$1,296**	**$4,776**	**($6,673)**	**$870**	**$4,537**	**$9,032**	**$9,711**	**$0**	**$10,188**
FY 2025 Base	**$281,265**	**$0**	**$221,490**	**$84,943**	**$0**	**$50,174**	**$179,026**	**$5,327**	**$324,870**	**$194,730**	**$157,895**	**$382,196**	**$12,319,054**	**$14,200,970**
Program Decreases									($26,000)					($26,000)
CFIUS Fund Appropriation		$21,000												$21,000
CFIUS User Fees		($21,000)												($21,000)
Program Increases/Reinvestments	$31,029		$9,043	$65,057	$14,470				26,038	$20,959	$1,784	$13,963		$182,343
Subtotal, Program Changes	**$31,029**	**$0**	**$9,043**	**$65,057**	**$14,470**	**$0**	**$0**	**$0**	**$38**	**$20,959**	**$1,784**	**$13,963**	**$0**	**$156,343**
FY 2025 President's Budget funded from discretionary resources	**$312,294**	**$0**	**$230,533**	**$150,000**	**$14,470**	**$50,174**	**$179,026**	**$5,327**	**$324,908**	**$215,689**	**$159,679**	**$396,159**	**$12,319,054**	**$14,357,313**

1/ CFIUS Fund Annualized CR levels are net appropriations including CFIUS Fees.

2/ Cyber refers to the Treasury Cybersecurity Enhancement Account (CEA).

3/ SIGPR will be sunsetting in FY 2025, as their statutory authority expires in FY 2025.

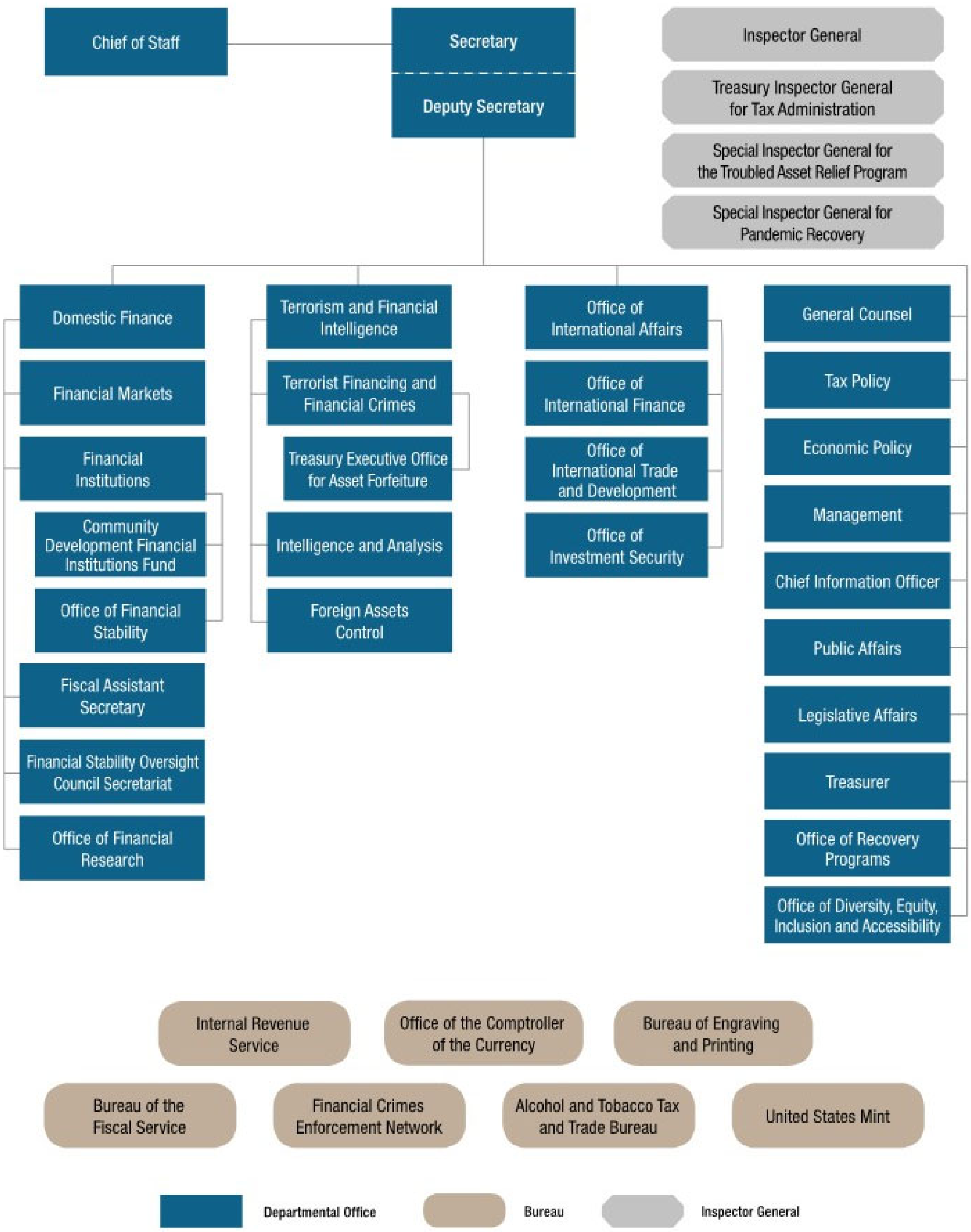
FY 2025 President's Budget by Strategic Goal

Dollars in Thousands

Treasury Goal/Objective	Promote Equitable Economic Growth and Recovery	Enhance National Security	Protect Financial Stability and Resiliency	Combat Climate Change	Modernize Treasury Operations	Total
Cybersecurity Enhancement Account		$150,000				$150,000
Department-wide Systems and Capital Investments Program				$2,069	$12,401	$14,470
Office of Inspector General	$46,411	$1,957		$502	$1,305	$50,174
Treasury Inspector General for Tax Administration	$114,577	$7,161		$3,581	$53,708	$179,026
Special Inspector General for Pandemic Recovery	$5,327					$5,327
Community Development Financial Institutions Fund	$289,000				$35,908	$324,908
Financial Crimes Enforcement Network		$161,767	$28,040	$4,314	$21,569	$215,689
Alcohol and Tobacco Tax and Trade Bureau	$144,030	$639			$15,010	$159,679
Bureau of the Fiscal Service		$80,091	$85,194	$32,382	$198,492	$396,159
Tax Administration	$12,319,054					$12,319,054
IRS Taxpayer Services	$2,780,606					$2,780,606
IRS Enforcement	$5,437,622					$5,437,622
IRS Technology and Operations Support	$4,100,826					$4,100,826
Business Systems Modernization						
Total, Treasury	**$13,032,178**	**$695,659**	**$157,219**	**$67,845**	**$404,412**	**$14,357,313**

ORGANIZATION

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



DEPARTMENTAL OFFICES

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

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

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

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

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

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

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

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

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

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

Inspectors General

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

Bureaus

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

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

The **Financial Crimes Enforcement Network (FinCEN)**

safeguards the financial system from illicit use, combats money laundering and its related crimes—including terrorism—and promotes national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence.

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

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

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

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

Treasury Strategic Management

Framework

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

Organizational Performance Review Cycle

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

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

TABLE 1: TREASURY ANNUAL ORGANIZATIONAL PERFORMANCE REVIEW CYCLE

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

FY 2022 – 2026 Strategic Framework

The strategic framework provides the foundation for the Department's FY 2022 – 2026 strategic goals and objectives and FY 2022 – 2023 Agency Priority Goals (APGs), which align to specific objectives. All bureaus and offices align their programs and performance within this framework. Our updated goals and objectives are reflected below.

Strategic Goals	Strategic Objectives/APGs	Contributing Bureaus/Offices
Goal 1: Promote Equitable Economic Growth and Recovery	1.1: Tax Administration and Policy 1.2: Global Economic Leadership 1.3: Economically Resilient Communities 1.4: Resilient Housing Market	IRS Tax Policy TTB Economic Policy International Affairs Office of Small and Disadvantaged Business Utilization Office of Management ORP Domestic Finance
Goal 2: Enhance National Security	2.1: Cyber Resiliency of Financial Systems and Institutions 2.2: Economic Measures to Advance National Security 2.3: Modernize Sanctions Regime 2.4: Transparency in the Financial System *Aligned APG: Promoting Transparency in the Financial System*	Office of Management All Bureaus/Offices
Goal 3: Protect Financial Stability and Resiliency	3.1: Financial System Vulnerabilities 3.2: Resilient Treasury and Municipal Securities Markets 3.3: Financial Innovation *Aligned APG: Improving the Payment Experience*	Domestic Finance International Affairs Economic Policy OCC TFI FinCEN Fiscal Service U.S. Mint BEP IRS Tax Policy
Goal 4: Combat Climate Change	4.1: Global Climate Commitment and Leadership 4.2: Climate Incentives and Investment 4.3: Climate-Related Financial Risks 4.4: Sustainable Treasury Operations *Aligned APG: Increasing Treasury Sustainability*	Office of Management OCC All Bureaus/Offices
Goal 5: Modernize Treasury Operations	5.1: Recruit and Retain a Diverse and Inclusive Workforce 5.2: Future Work Routines 5.3: Better Use of Data 5.4: Customer Experience Practices	All Office and Bureaus, led by the Office of Management

PERFORMANCE OVERVIEW

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

Goal 1: Promote Equitable Economic Growth and Recovery

Treasury plays a central role in addressing systemic issues in the financial system and strengthening economic resiliency for all Americans, while taking the lead in partnering with foreign countries to promote global recovery and sustainable growth. In the past year, we dramatically improved service in tax filing season, led global efforts to establish a Global Minimum Tax, and supported compliance and evidence-building efforts for recovery programs.

Under this goal, our first strategic objective—identified as an area of noteworthy progress and focus area for improvement in our FY 2023 SOAR process—focuses on developing a more efficient tax system that ensures we administer the tax code fairly and impartially for all Americans. Our second strategic objective under this goal relates to global economic leadership, which aims to restore confidence in U.S. economic policy leadership and promote inclusive global economic growth. Our third strategic objective focuses on addressing systemic inequities in the economy, catalyzing equitable growth through increased access to capital and resources for small businesses, households, and underserved communities. Our fourth strategic objective under this goal relates to promoting the long-term stability of the U.S. housing market in collaboration with the Department of Housing and Urban Development and other federal agencies.

TAX ADMINISTRATION AND POLICY

We took steps in FY 2023 to improve taxpayer experience with the IRS and address compliance among certain taxpayer groups.

Source: Adobe Stock

IRS Audits

The IRS has announced new initiatives as part of a historic effort to restore fairness in tax compliance by shifting more attention onto non-filers, high-income earners, partnerships, large corporations and promoters abusing the nation's tax laws.

In FY 2023, the IRS accomplished a range of actions to assist taxpayers and improve the taxpayer experience on the phones and in person. With additional funding from the *Inflation Reduction Act* (IRA), the IRS hired an additional 5,000 Customer Service Representatives to answer taxpayer calls. During the filing season, the IRS answered more calls from taxpayers seeking help than last year and significantly reduced phone wait times. This allowed the IRS to achieve a filing season (January 23 through April 21) Level of Service of 87 percent, compared to 15 percent in the prior year, including an average taxpayer telephone wait time of approximately three minutes. This was a big improvement compared to 28 minutes in tax season 2022.

The IRS also announced the expansion of the customer callback option (having the option to get a call back instead of waiting on hold) to cover 95 percent of all taxpayers seeking live assistance. Additionally, the IRS provided more in-person assistance through the 363 Taxpayer Assistance Centers (TACs) open for business. We opened TACs on select Saturdays and in May we offered walk-in services, and conducted outreach events in underserved and rural communities to provide direct assistance to taxpayers who do not have convenient access to a live assistor.

The IRS has announced new initiatives as part of a historic effort to restore fairness in tax compliance by shifting more attention onto non-filers, high-income earners, partnerships, large corporations and promoters abusing the nation's tax laws. The IRS published an Interim Guidance Memorandum setting forth guidance for considering Advance Pricing Agreement submissions from taxpayers to increase awareness of tax certainty programs and their benefits to taxpayers with complex issues. As part of its initiative to offer proactive debt resolution, the IRS updated the self-service payment plan functionality in Online Account for individual taxpayers. The IRS also worked to expand engagement with non-filers by developing notices for the IRS core tax processing systems for the Case Creation Non-Filer Identification Process and launched a pilot program to address new non-filers. Finally, the IRS announced its increased focus on taxpayers with complex returns—in which audit rates are minimal today—such as those related to large partnerships, large corporations, and high-income and high-wealth individuals.

The TTB also focused on compliance by large alcohol and tobacco companies and increased filing compliance rates for these taxpayers from 94.0 percent in FY 2018 to 98.2 percent in FY 2023 through the use of enhanced analytical tools. Further, to facilitate voluntary compliance by all taxpayers, the TTB piloted new tax forms, starting with brewers, which will reduce total filing burden while improving the utility of data for tax administration and enforcement.

To support equitable economic growth and recovery, in FY 2023, the Office of Tax Policy implemented changes to the tax code through recent legislation, including the IRA and *CHIPS and Science Act* (CHIPS Act). The office published several regulations addressing credits for new clean vehicles, low-income communities, and prevailing wage and apprenticeship requirements. The office pursued new research on equity and taxation, including the development of a methodology to impute race and ethnicity in tax data, and the evaluation of how tax expenditures are distributed across different racial and ethnic groups, and a collaborative effort with the IRS and the United States Census Bureau to investigate the demographics of recipients of the initial round of Economic Impact Payments in 2020.

Source: Adobe Stock

Global Minimum Tax

In FY 2023, the Office of Tax Policy led global negotiations to establish a Global Minimum Tax to ensure that large multinational businesses pay a minimum effective tax rate in every jurisdiction in which they operate, which led many of the U.S.'s largest trading partners to implement the Global Minimum Tax starting in 2024.

Global Economic Leadership

In FY 2023, the Office of Tax Policy led global negotiations to establish a Global Minimum Tax to ensure that large multinational businesses pay a minimum effective tax rate in every jurisdiction in which they operate, which led many of the U.S.'s largest trading partners to implement the Global Minimum Tax starting in 2024. The Office of Tax Policy negotiators also secured multilateral guidance to coordinate the Global Minimum Tax with the U.S. tax system, thereby ensuring a level playing field for U.S. businesses and workers.

To prevent technical barriers to trade for U.S. alcoholic beverage products, the TTB continued to monitor World Trade Organization notifications on foreign trade measures that could adversely affect U.S. exports. Additionally, the TTB improved service delivery for export certificates to ensure U.S. industry access to foreign markets—issuing more than 12,000 certificates to U.S. alcohol exporters in an average of three days. The TTB also improved the filing experience by launching a new myTTB online option for customers to obtain export certificates.

In the wake of major disruptions such as Russia's illegal invasion of Ukraine, the offices of Economic Policy, Terrorist Financing and Financial Crimes, International Affairs (IA), and the Office of Foreign Assets Control laid the foundation for developing, organizing, and implementing the price cap on Russian seaborne oil—which went into effect December 2022—and the price caps on Russian seaborne petroleum products—which went into effect February 2023. We coordinated with the Price Cap Coalition (G7, European Union, and Australia) to implement the price cap policy and continue to evaluate and review the policy with our Coalition partners. Since its implementation, the price cap policy has helped to reduce Russian revenues while maintaining global oil supply.

Economically Resilient Communities

We supported financially underserved communities and bolstered economic resiliency for households that were disproportionately impacted by the economic repercussions of the Coronavirus Disease of 2019 (COVID-19) pandemic. In part through stewardship of over $1 trillion of funds within Treasury, the *American Rescue Plan Act of 2021* (ARP) has helped to power one of the strongest and most equitable recoveries on record while making investments that position our nation for economic success in the coming decades.

We supported economic recovery programs for state, local, territorial, and Tribal governments across the country. To date, we have delivered over 99 percent of all available State and Local Fiscal Recovery Funds (SLFRF) to state, local, territorial, and Tribal governments across the country to support their response to and recovery from the COVID-19 pandemic. SLFRF recipients have budgeted $12.1 billion for public health projects, $17.7 billion for housing-related purposes, $12.8 billion for workforce support, $5 billion for small business support, and $31.2 billion for critical investments in broadband, water, and sewer infrastructure.

In FY 2023, we increased investments in financially underserved communities through lending and investment programs. Our Emergency Capital Investment Program (ECIP) funded approximately $285 million in investments in eligible depository institutions that were certified as Community Development Financial Institutions (CDFIs) or designated as Minority Depository Institutions (MDIs) for the purpose of increasing lending in financially underserved communities, bringing our total ECIP investment in CDFIs and MDIs to over $8.5 billion. In addition, the CDFI Fund has provided resources to counteract the economic effects of the COVID-19 pandemic. During FY 2022, CDFI Program award recipients originated more than $38 billion in loans and investments in distressed and underserved areas. Cumulatively, CDFI Program award recipients have provided more than $170 billion in loans and investments to counteract disinvestment in these areas. In addition, the CDFI Fund announced and began disbursing over $1.73 billion in awards under the CDFI Equitable Recovery Program to strengthen the ability of CDFIs to help low- and moderate-income communities recover from the COVID-19 pandemic and invest in long-term prosperity. Rapid Response Program award recipients reported making loans and investments of more than $14.8 billion to help distressed and underserved communities recover from the pandemic.

Our bureaus increased recovery, growth, and startup of small and disadvantaged businesses through supplier diversity efforts, meeting our socio-economic goals and sending millions of dollars to small and minority businesses. In FY 2023, the bureaus awarded over $10.1 billion in eligible small business dollars and obligated over $3.6 billion to small businesses, totaling over 36 percent awarded to small businesses. Also, the bureaus awarded over $1.2 billion to small, disadvantaged businesses (over 11 percent) and over $976 million to women-owned small businesses (over nine percent).

We also improved services for the alcohol and tobacco industries that we regulate to promote fair competition and growth. TTB continued to prioritize timely federal permit approvals for new producers, wholesalers, and importers to facilitate economic growth, particularly in new small businesses, and aims to improve service by simplifying the application requirements through phased rulemaking to reflect current industry operations and statutory requirements. TTB also continued phased rulemaking to modernize alcohol beverage labeling requirements, which will consolidate and clarify rules and help alcohol producers and importers obtain label approval quickly by correctly filing the first time.

Resilient Housing Market

Throughout the COVID-19 pandemic and FY 2023, we successfully distributed assistance to renters and homeowners to mitigate the effects of the pandemic, through the Emergency Rental Assistance (ERA) and Homeowner Assistance Fund (HAF) programs.

The ERA program delivered nearly 10.8 million assistance payments to families at risk of eviction. While eviction diversion programs were uncommon before the pandemic, at least 180 jurisdictions across 36 states have now launched or strengthened eviction diversion programs with the ERA funding, which have significantly limited eviction rates.

More than 230,000 families at risk of foreclosure received assistance in 2022 through the HAF program. Despite the economic disruptions COVID-19 caused, foreclosure proceedings remain significantly below pre-pandemic levels.

GOAL 1: KEY PERFORMANCE DATA HIGHLIGHTS

Measure (Responsible Bureau/Office)	FY 20	FY 21	FY 22	FY 23	FY 23 Target	Result vs Target
Customer Service Representative Level of Service (CSR LOS) (IRS)[1]	53.1%	18.5%	17.4%	51.8%	60.0%	Unmet
Timeliness of Critical Individual Filing Season Tax Products (IRS)[2]	78.4%	92%	96.4%	96.4%	83.0%	Exceeded
Percentage of Permit Applications Processed within Service Standards (TTB)[3]	84.1%	92.2%	91.2%	86.3%	85%	Exceeded
Engagement of Partner Countries in Programs – 5 point scale (International Affairs) [4]	3.3	3.6	3.5	3.5	3.6	Unmet
Enterprise Self-Assistance Participation Rate (ESAPR) (IRS)[5]	90.6%	92.3%	93.9%	94.2%	94.0%	Met
Percent of Procurement Dollars Spent on Small Business (Management)[6]	45.0%	39.9%	37.6%	36.2%	40.0%	Unmet
Number of governments using funds to support workers and develop the workforce (ORP)[7]	N/A	676	903	1023	975	Exceeded
Number of unique homeowners receiving assistance (cumulative) (ORP)[8]	N/A	N/A	162,102	425,000 (est)	300,000	Exceeded

Explanation of Results
[1]CSR LOS was 51.8 percent which was 13.6 percent below the target of 60 percent, and an increase of 197.8 percent over the prior year actual level of service of 17.4 percent. The level of service for the filing season (from January 23 through April 21) was 87 percent. The IRS allocated employees in October through December, from accounts management that answer phone calls, to assist in processing correspondence. This resulted in delivering a lower level of service. Customer service representatives answered around 17.9 million calls in FY 2023 while accounts management demand fell 52.3 percent to 38.8 million in FY 2023 from 81.3 million in FY 2022. Average wait time was 10.1 minutes, which was less than half the average from the prior fiscal year of 26.0 minutes. In FY 2023, around 8.5 million taxpayers were offered a callback and 64 percent accepted. This resulted in around 2.4 million hours saved for the taxpayer, providing a better experience. To meet service goals in FY 2024, the IRS will continue to monitor demand in real time and the resources allocated down to the half hour enabling us to regularly shift people between telephones and paper.
[2]Timeliness of Critical Individual Filing Season (CIFS) Tax Products to the Public of 96.4 percent is 16 percent above the plan of 83 percent. Eighty of 83 CIFS tax products were available to the public seven calendar days before the official IRS start of the (individual) filing season. Filing season 2023 tax products were significantly impacted by the enactment of the Inflation Reduction Act of 2022 and the CHIPS Act of 2022. The IRS assessed legislation quickly and prioritized work on the impacted products; prioritized work on the release of critical products, especially forms and instructions, over other products; and utilized overtime, credit, and compensatory time during workdays, weekends, and holidays.
[3]This measure represents the overall rate at which the TTB is meeting its annual service standard (75 days for FYs 2020 – 2023) for all original permit applications and registrations. The measure reflects the efficiency and consistency of the TTB's permitting process and supports effective communication with industry members regarding the TTB's level of service. In FY 2023, the TTB issued nearly 87 percent of applications within its 75-day service standard, surpassing its 85 percent target. With sustained high application volume, to maintain performance at target, the TTB is undertaking process and system enhancements, including an effort to streamline permit application requirements.
[4]Measures the degree to which foreign counterparts are engaging proactively and constructively with Office of Technical Assistance (OTA) advisors, at the working and policy levels. Counterpart engagement is both a key outcome of OTA efforts to structure and execute effective technical assistance projects that support host country ownership. The result for FY 2022 is 3.5, a reduction of 0.1 from FY 2022 target of 3.6.
[5]The Enterprise Taxpayer Self-Assistance Participation Rate of 94.2 percent was slightly above the fiscal year plan of 94 percent. In FY 2023 total Self -Assisted services were 1.62 billion which is 7.6 percent higher than 1.51 billion in FY 2022, assisted services were 99.41 million which is 2 percent higher than FY 97.5 million in FY 2022, and total FY 2023 Services rose to 1.72 billion which is 7.3 percent higher than 1.6 billion in FY 2022. Using the self-assistance services, taxpayers received more than 970 million transcripts, made around 212 million electronic payments, set up 1.6 million online installment agreements, received almost 2.3 million IP Pins, and accessed nearly 64.4 million Online Accounts sessions.
[6]This goal measures the percentage of procurement dollars obligated toward small businesses (or Treasury's overall small business goal) and highlights Treasury's efforts to ensure that small businesses have the maximum practicable opportunity to provide goods and services to the federal government. Treasury fell short of meeting its FY 2023 small business goal of 40 percent. However, Treasury overperformed and exceeded the socio-economic small business goals. Treasury awarded $685 million more to small business over last year.
[7]In May 2022, recipients received a letter from the Deputy Secretary that encouraged recipients to use SLFRF funds for investments in priority areas, including to expand the workforce and provide competitive wages. Since then, Treasury has continued to emphasize and uplift examples of how recipients are using SLFRF funds to support the workforce.
[8]Treasury worked with programs to identify and address program design challenges and applicant barriers, increasing eligible homeowners' access to HAF assistance. HAF programs addressed the needs of a broader set of homeowners than prior housing programs, such as providing the flexibility to serve homeowners living in manufactured housing and those with land contracts, resulting in a broader reach of HAF assistance.

Goal 2: Enhance National Security

We continue to play a key role in promoting and enhancing our national security. In FY 2023, we increased cyber resiliency in the financial sector and engaged key allies to effectively target the application of tools and authorities to dismantle bad actors. We also made progress implementing recommendations from the 2021 Sanctions Review and preparing for the implementation of *Anti-Money Laundering Act of 2020* (AMLA).

Under this goal, our first strategic objective—identified as an area of noteworthy progress and focus area for improvement in our FY 2023 SOAR—centers on ensuring that we harden the U.S. and global financial systems against cyber incidents and counter malicious cyber actions. Our second strategic objective—identified as an area of noteworthy progress and focus area for improvement in our FY 2023 SOAR—is to address threats that criminal elements, foreign adversaries, and certain foreign investments pose to U.S. national security and strategic interests using our policy, intelligence, regulatory and enforcement authorities, and tools. Our third strategic objective focuses on updating the authorities and processes we use to deploy sanctions to effectively address emerging challenges. Our fourth strategic objective—identified as a focus area for improvement in our FY 2023 SOAR process—focuses on strengthening transparency in the domestic and international financial systems to aid in the detection of illicit financial activity to protect the integrity of markets and the global financial framework.

Cyber Resiliency of Financial Systems and Institutions

We continue to refine our ability to respond to cyber and noncyber incidents, including cybersecurity attacks that stem from the U.S.'s role in the Russian-Ukraine War. We have responded by accelerating the implementation of protective and detective controls and expanding our information sharing, seeking to prevent these types of incidents while also preparing for the impact if they occur. This also includes streamlining the mechanism to coordinate public messaging with public and private partners, which is an essential element of a mature incident response process.

Through regular engagement with international partners, we are coordinating efforts to address operational vulnerabilities and enhance sector cyber hygiene to maintain system health and improve online security. We, along with the Bank of England, serve as co-chairs of the G7 Cyber Expert Group (CEG) and are working to continually improve the volume and timeliness of relevant threat information as well as develop a collective incident response capability. The G7 CEG made several significant advancements in 2023. For example, the group restructured and formalized its relationship with its private sector participants to fully use the breadth of experiences and skills in our sector. In addition, the CEG launched a website in 2023 to provide an enduring platform for the group's public work. Along with these achievements, the CEG has continued to produce Fundamental Elements documents that incorporate expertise and good practice from group members for cybersecurity practitioners worldwide. The resources are now available publicly through the new website.

Beyond our work with the G7, we continue to engage bilaterally with key international partners, including Singapore and Israel, with which we held exercises in 2023. We are also helping to develop the capacity of countries, including Ukraine, to improve the cybersecurity and resilience of their financial sectors.

To address technology vulnerabilities and facilitate stronger security operations and management posture, we have implemented increased controls to better meet the requirements of the *Federal Information Security Modernization Act of 2014* (FISMA). Fiscal Service's FISMA systems have achieved the following: 84 percent has implemented multifactor authentication for enterprise and public users; 90 percent has implemented encryption for data at rest; and 63 percent has encrypted data in transit. While the multifactor authentication solution for Modernized e-File is currently available, we continue to enhance and upgrade the systems to achieve our goals. Additionally, the IRS will enable multifactor authentication on all FISMA systems by the end of the calendar year.

We have enhanced vulnerability and threat management capabilities in key areas. The IRS continues to deliver analytics tools that leverage machine learning to proactively identify and respond to emerging insider threats and fraudulent behavior. The IRS also continues High Value Asset continuous monitoring to protect systems that are segmented from the agency's enterprise network. Fiscal Service continues to optimize, secure, and scale technology resources—including prioritizing resources to adopt cloud technology—to effectively support our role in national security and to implement the requirements of the Cybersecurity Executive Order (EO) 14028, *Improving the Nation's Cybersecurity*. To comply with the Cybersecurity EO, Fiscal Service will continue implementing Zero Trust cloud solutions and Enterprise Log Management as it moves toward Zero Trust Architecture compliant platform services.

We and our partners in the Financial and Banking Information Infrastructure Committee (FBIIC) assessed how trends in technology usage could affect the operational resilience of the U.S. financial services sector, and released a report, "*The Financial Services Sector's Adoption of Cloud Services*," in February 2023. This report shares our findings on core issues related to the current state of cloud adoption in the sector, including potential benefits and challenges associated with increased adoption, which we have been working closely with the FBIIC and the Financial Services Sector Coordinating Council to address.

ECONOMIC MEASURES TO ADVANCE NATIONAL SECURITY

Since Russia invaded Ukraine in February 2022, we, working alongside a global coalition of more than 30 countries, implemented a historic economic pressure campaign to deprive Russia of the revenue it uses to wage war. These targeted economic measures are enhancing and protecting U.S. national security interests. We issued more than 2,500 Russia-related sanctions designations and, together with international partners, immobilized at least $280 billion of Russian sovereign assets. The combined effects of these measures have contributed to significant economic difficulties for Russia's financial, energy, and manufacturing sectors, including Russia's military supply chain. In collaboration with the Department of Commerce and international partners, we are working to maintain the pressure on Russia by monitoring for and countering Russia's attempts to evade our sanctions and other economic controls.

We continue to share information with our global partners to address threats to U.S. national security and strategic interests. Through participation in the Egmont Group of Financial Intelligence Units (FIUs), FinCEN strives to share high-value and impactful financial intelligence quickly and securely with trusted foreign partners. FinCEN regularly evaluates its processes for sharing information to gain efficiencies and takes a risk-based approach to ensure it appropriately prioritizes requests from foreign FIUs.

Source: Adobe Stock

U.S. Issued Russian-Related Sanctions

We issued more than 2,500 Russia-related sanctions designations, and, together with international partners, immobilized at least $280 billion of Russian sovereign assets.

In March 2022, FinCEN established the Russia-Related Illicit Finance and Sanctions FIU Working Group with nine of our closest FIU partner countries, in part to further expedite and increase sharing of financial intelligence related to Russian illicit finance, including sanctions evasion. FinCEN issued a number of Russia-related alerts and advisories (including two joint alerts with the Department of Commerce's Bureau of Industry and Security) to draw attention to, and generate reporting by, U.S. financial institutions on Russian sanctions and export control evasion, as well as other illicit financial activity tied to Russian oligarchs and sanction Russian elites. These actions have helped drive the filing of Suspicious Activity Reports (SARs) with FinCEN; SARs play an important role in sanctions designations and law enforcement efforts to counter Russian illicit activity.

To ensure that covered foreign investments do not give rise to unresolved national security risks, we released the first ever Committee on Foreign Investment in the United States (CFIUS) Enforcement and Penalty Guidelines, which provide the public with information about how CFIUS assesses violations of the laws and regulations that govern transaction parties, including potential breaches of CFIUS mitigation agreements. Transaction parties' compliance is critical to ensuring we protect national security against transnational risks certain foreign investments pose. We are also implementing the provisions of the IRA that bolster energy security by strengthening and diversifying vital supply chains in partnership with allies.

Modernize Sanctions Regime

We made considerable progress toward modernizing the sanctions regime by implementing recommendations from the *Treasury 2021 Sanctions Review*, executing the Sanctions Modernization Action Plan, and working with interagency partners to re-evaluate the interagency sanctions framework. This includes creating the Sanctions Economic Analysis Unit led by a Chief Sanctions Economist to serve as a center of excellence for analyses on the effectiveness of sanctions. This unit provides economic and financial policy analyses that better inform the design and implementation of sanctions policy and targeting options under existing or proposed authorities. This unit is also responsible for standardizing a consistent approach to economic and financial policy analyses that better inform policy decisions. This includes analyses of potential collateral effects of proposed sanctions to identify issues that may be mitigated.

In April 2023, we launched the Sanctions Economic Analysis Division, a cross-functional team working with IA, the Office of Terrorism and Financial Intelligence (TFI), and others to develop economic and financial analysis to inform the design and implementation of sanctions options. Finally, we improved our communication and transparency on sanctions by modernizing our Information Technology (IT) and website, enhancing case management, and other related efforts.

Transparency in the Financial System

Our work to increase transparency in the domestic and international financial systems is aiding the detection of illicit financial activity and positioning the U.S. and international financial system to better detect, disrupt, and deter illicit financial activities.

Our work addressing the illicit finance risks of digital assets from the 2022 National Strategy for Combatting Terrorist and Other Illicit Financing included the April 2023 publication of the 2023 DeFi Illicit Finance Risk Assessment, the first such risk assessment conducted on decentralized finance in the world, as well as extensive ongoing work with interagency and international partners to better understand digital asset gaps in the U.S. and global Anti-Money Laundering / Countering the Financing of Terrorism (AML/CFT) frameworks.

We are finalizing development and implementation of a Beneficial Ownership Secure System to crack down on the use of anonymous shell companies by malicious actors. FinCEN's rulemaking on beneficial ownership information and efforts to increase transparency in the real estate sector are enabling us to address emerging challenges.

We made significant progress implementing new beneficial ownership information reporting requirements as part of ongoing efforts to carry out the Corporate Transparency Act (part of the AMLA). Specifically, FinCEN issued a notice of proposed rulemaking proposing regulations that would govern the access to and protection of beneficial ownership information. Additionally, FinCEN launched a new beneficial ownership information reporting page on its website containing information related to the new reporting requirements, including frequently asked questions and informational videos. FinCEN continues to develop additional public guidance for entities that will need to report their beneficial ownership information. FinCEN also completed initial development and began testing and assessing the security of an IT system to receive and store beneficial ownership information.

Additionally, we made progress developing a notice of proposed rulemaking to address money laundering threats in the U.S. residential real estate sector.

Source: Adobe Stock

2023 DeFi Illicit Finance Risk Assessment

Our work addressing the illicit finance risks of digital assets from the 2022 National Strategy for Combatting Terrorist and Other Illicit Financing included the April 2023 publication of the 2023 DeFi Illicit Finance Risk Assessment, the first such risk assessment conducted on decentralized finance in the world, as well as extensive ongoing work with interagency and international partners to better understand digital asset gaps in the U.S. and global (AML/CFT) frameworks.

GOAL 2: KEY PERFORMANCE DATA HIGHLIGHTS

Measure (Responsible Bureau/Office)	FY 20	FY 21	FY 22	FY 23	FY 23 Target	Result vs Target
Percentage of CFIUS Cases Reviewed within Statutory Timeframes, reported by calendar year (International Affairs)[1]	100%	100%	100%	TBD	100%	TBD
Number of New or Modified Sanctions Programs Established by Executive Order or Congressional Mandate (TFI)[2]	7	8	11	2	N/A	TBD
Explanation of Results						
[1]This measure tracks compliance with statutory deadlines for completing national security reviews of transactions notified to the CFIUS to ensure that the CFIUS process is timely and efficient. We report results on a calendar year basis, at which time the comparison can be made of actual results versus target.						
[2]This indicator tracks the number of new or modified sanctions programs that we must implement and enforce. However, the indicator does not capture the levels of relative complexity for each sanction program or the complexity of individual national security objectives that sanctions attempt to achieve. We do not set targets for new or modified sanctions programs since the existence of a sanctions program is not itself a measure of success.						

Goal 3: Protect Financial Stability and Resiliency

We play a critical role in improving financial resiliency and addressing vulnerabilities in core financial markets. We continued to promote a more resilient financial system, as demonstrated through the improved resiliency of Treasury security markets. The Financial Stability Oversight Council (FSOC), which is chaired by Secretary Yellen and charged with identifying risks to the financial stability of the U.S., has seen its capacity grow over the past year. We were also heavily involved in developing policy and engaging on digital assets and made significant progress in facilitating financial innovation.

Under this goal, our first strategic objective focuses on monitoring and coordinating responses to threats to financial stability both domestically and globally. Our second objective is to mitigate vulnerabilities in Treasury and municipal securities markets, keeping pace with changes in the industry, regulatory environment, trading practices, and investor demands. Our third strategic objective—identified as a focus area for improvement in our FY 2023 SOAR process—focuses on encouraging the responsible use of innovative financial technology, both across the financial sector and within Treasury.

Financial System Vulnerabilities

Through our work to rebuild FSOC's capacity, we are strengthening our ability to coordinate and improve collective actions to mitigate threats to financial stability. The FSOC continued its work to identify emerging vulnerabilities to the financial system through its monthly interagency Systemic Risk Committee meetings, as well as through recommendations to address those vulnerabilities in its Annual Report in December 2022. Identifying, assessing, and responding to systemic risks are among FSOC's core functions, and the Council has taken recent action to strengthen and provide greater transparency into how it performs these duties. On April 21, 2023, the FSOC issued its *Proposed Analytic Framework for Financial Stability Risk Identification, Assessment, and Response,* which is intended to inform the public how the Council engages with risks to the financial system. At the same time, the Council issued proposed interpretive guidance on its authority to designate nonbank financial companies for Federal Reserve supervision and prudential standards.

In FY 2023, the Office of Financial Research (OFR) proposed a rule to establish an ongoing collection of noncentrally cleared bilateral repurchase agreement data to improve transparency in short-term funding markets. The sound functioning of such markets is critical to financial stability, and the OFR will continue working to finalize and launch this daily financial data collection. The OFR also made substantial progress building its capability to collect data directly from financial companies, which it will leverage for the planned new noncentrally cleared bilateral repurchase agreement data collection and for future FSOC data collection needs. Additionally, OFR launched the Joint Analysis Data Environment (JADE), designed to enhance FSOC member agencies' access to data, high-performance computing, and tools for research and analysis on financial stability and vulnerabilities.

Source: Adobe Stock

Financial Stability Oversight Council

FSOC, which is chaired by Secretary Yellen and charged with identifying risks to the financial stability of the U.S., has seen its capacity grow over the past year.

Resilient Treasury and Municipal Securities Markets

The Treasury security markets have withstood multiple shocks this year, demonstrating their improved resiliency.

The Inter-Agency Working Group on Treasury Market Surveillance, which consists of Treasury, the Federal Reserve Board, the Federal Reserve Bank of New York, the U.S. Securities and Exchange Commission, and the Commodity Futures Trading Commission, continues to focus on improving the resilience of market intermediation, improving data quality and availability, evaluating expanded central clearing, enhancing trading venue transparency and oversight, and examining the effects of leverage and fund liquidity risk management practices. Additionally, we continue to make progress toward beginning a Treasury marketable securities buyback program in 2024. Our buybacks will have two debt management objectives—liquidity support and case management.

In 2023, the Office of Economic Policy developed and implemented important enhancements to the high-quality market corporate bond (HQM) yield curve methodology that significantly expanded market coverage of the HQM yield curve and improved the ability of the curve to capture market movements. The enhancements also enabled the HQM yield curve to be better used in combination with the Treasury securities yield curves.

Increasing market monitoring to understand the causes and effects of changes in municipal bondholder composition and municipal bond market volatility and liquidity is crucial for promoting greater efficiency, liquidity, and transparency in the market. For these reasons, we developed internal monitoring tools for variable rate and high-yield municipal debt and engaged with municipal market regulators and federal agencies on implementation of market transparency measures including voluntary disclosure of climate-risk and impact information. We also convened municipal issuer groups to improve disclosures by disseminating best practices for financing resilient infrastructure.

Financial Innovation

In FY 2023, we continued to modernize financial management processes through increased federal electronic payments and collections, and reduced use of paper checks with federal agencies. In February, the IRS implemented the capability for taxpayers who electronically filed Form 1040-X (Individual Amended Return) to receive electronic funds transfer (EFT) refunds. We are monitoring the impact on tax refund EFT percentages for the remainder of 2024. In FY 2023, the overall EFT rate was 96.5 percent. Additionally, Fiscal Service and the Federal Emergency Management Agency signed a Memorandum of Understanding to pilot emerging digital payments for faster assistance to disaster victims.

To better diversify representation on our national currency, the U.S. Mint developed and delivered to the Secretary design options for the five 2024 American Women Quarters, the 2024 American Innovation $1 Coin for Missouri, and the Liberty & Britannia 24k Gold Coin and Silver Medal. The U.S. Mint also conducted design development for the final five 2025 American Women Quarters, the 2025 Native American $1 Coin, and the 2025 American Innovation $1 Coins for Michigan and Arkansas. In addition, the U.S. Mint created a cross-functional team to increase awareness of the American Women Quarters™ Program, and, through extensive stakeholder outreach to previously untapped audiences, stimulated new interest in coin collecting.

The U.S. Mint is planning to strengthen its anti-counterfeit processes by leveraging new technologies, including advanced detection methods for authenticating bullion and circulating coinage. The advanced technology will also ease manufacturing burdens. The U.S. Mint will continue to support other federal agencies with circulating coin authentication.

Source: Adobe Stock

BEP's New Developments

BEP's development activities for the newly redesigned family of banknotes made notable progress during FY 2023. BEP implemented multiple high-volume print trials integrating machine readable, and covert security features, along with a raised tactile feature that will be appearing on U.S. currency for the first time.

Fiscal Service established the Office of Payment Integrity by merging the Do Not Pay Business Center and Payment Integrity Center of Excellence. This office manages a portfolio of payment integrity tools, services, and data sources to focus on access to data and data sharing, data analytics, and government-wide and agency-specific solutions. In FY 2023, we identified, prevented, or recovered $652.7 million in improper payments as a direct result of Fiscal Service Payment Integrity services and solutions. In FY 2024, Fiscal Service will advance a payment integrity vision and will evaluate the bureau's role in stopping improper payments.

Additionally, in FY 2023, BEP made notable progress on development activities for the newly redesigned family of banknotes. BEP implemented multiple high-volume print trials integrating public, machine readable, and covert security features, along with a raised tactile feature that will be appearing on U.S. currency for the first time. Currency redesigns are a multi-year process to ensure security and their successful adoption in domestic and international markets, and they play a vital role in maintaining end-user trust and confidence in U.S. currency.

GOAL 3: KEY PERFORMANCE DATA HIGHLIGHTS

Measure (Responsible Bureau/Office)	FY 20	FY 21	FY 22	FY 23	FY 23 Target	Result vs Target
Percentage of Treasury Payments Made Electronically (Fiscal Service)[1]	96.0%	96.2%	96.4%	96.5%	96.6%	Unmet
Percentage of Total Federal Government Receipts Initiated Electronically (Fiscal Service)[2]	84.1%	83.0%	83.2%	84.8%	84.0%	Met

Explanation of Results

[1]This measure provides the percentage of the total volume of electronic payments that are disbursed electronically**.** FY 2020, FY 2021, and FY 2022 data does not include pandemic-related relief payments such as economic impact payments and advance child tax credit payments.

[2]This measure provides the percentage of total federal government revenue collection dollars initiated electronically.

Goal 4: Combat Climate Change

We continue to work with domestic and international partners to emphatically respond to the challenges of climate change, including taking action to adapt to an already changing climate. With our partners, we work on mitigating risks associated with climate change and strive toward positioning the global economy for a clean and sustainable future. Our work in this area will strengthen the nation's energy security and enhance its competitiveness in the clean energy economy. This year, we established foundations to strengthen finance for emerging markets and climate adaptation through leadership in a variety of international forums, including co-chairing the Green Climate Fund (GCF), co-chairing the G20 Sustainable Finance Working Group, and co-chairing the Trust Fund Committee of the Climate Investment Funds. Additionally, the IRA has positioned our Department as a prominent leader in the climate space, and its implementation will be key in advancing progress towards U.S. climate goals.

Source: Adobe Stock

Climate Change and the Global Economy

With our partners, we work on mitigating risks associated with climate change and strive toward positioning the global economy for a clean and sustainable future.

Under this goal, our first strategic objective focuses on using U.S. leadership to re-engage with international partners to enhance global action and mobilize and align financial flows to combat climate change. Our second strategic objective—identified as an area of noteworthy progress and a focus area of improvement in our FY 2023 SOAR process—aims to promote incentives and policies to encourage the private sector's investment in climate-friendly projects. Our third strategic objective focuses on developing and executing approaches to measure and monitor climate risks to the financial sector, government, businesses, and households. Our fourth strategic objective focuses on our efforts to invest in adaptation and resiliency efforts to address climate change impacts on our operations and services.

Global Climate Commitment and Leadership

In FY 2023, we made strides to advance global commitments in combating climate change, including setting foundations to strengthen finance for emerging markets, helping developing economies adapt to a changing climate, and demonstrating leadership in several multilateral forums.

IA implemented programs to improve its oversight of key climate funds to ease access to finance for beneficiary countries, make more financing available to the most vulnerable countries, including small island states, and improve effectiveness of climate finance. In April, President Biden announced a $1 billion contribution to the GCF, which IA co-chairs. IA also co-chaired the G20 Sustainable Finance Working Group with China and led the Administration's work to implement the Just Energy Transition Partnerships, multilateral funding agreements that aim to bridge the gap between developed and developing nations in moving towards clean energy. In addition, IA initiated a review of the global climate finance architecture culminating in broad agreement at the June Paris Summit.

Climate Incentives and Investment

The IRA is the most significant investment in climate and clean energy in U.S. history. As tax incentives deliver most of the law's investment, we are playing a leading role in implementing the law. The IRA established or modified approximately 20 clean energy-related tax incentives that will be critical in advancing the nation's climate goals while lowering costs for consumers and creating good-paying jobs. We are focused on implementing the clean energy tax provisions as quickly and effectively as possible, with a commitment to ensuring that IRA implementation maximizes the law's economic, energy security, and climate impacts in the years to come.

Our implementation efforts have stretched across the Department—including the Office of Tax Policy, Climate Hub, IRA Program Office, Office of the Deputy Assistant Secretary for Management and Budget, and the IRS—and involved extensive collaboration with other federal agency partners. Since the law was enacted, we and the IRS have issued over 40 pieces of guidance on the law's clean energy provisions, while engaging with hundreds of stakeholders and reviewing thousands of written comments. We are also modernizing the IRS's customer service and technology to ensure that we deliver the IRA's clean energy tax incentives accurately and seamlessly.

The Office of Financial Markets (OFM) is working with OMB to update Federal credit policies to integrate climate-related financial risk into financial management and reporting for federal credit programs. This effort includes proposed disclosures to facilitate public reporting of climate risk and impacts. The OFM will work with agencies to develop a standardized reporting framework across federal programs. We are also working in other ways to encourage private sector investment in companies and activities that will underpin the clean energy economy of the future. This includes releasing the *Net-Zero Principles for Financing & Investment* and working to better understand the challenges and opportunities associated with voluntary carbon markets.

Source: Adobe Stock

Consumer Climate Based Tax Incentives

The IRA established or modified approximately 20 clean energy-related tax incentives that will be critical in advancing the nation's climate goals while lowering costs for consumers and creating good-paying jobs.

Climate-Related Financial Risks

We made progress toward incorporating climate-related risks into assessments of financial stability risk. Following FY 2022's successful climate-related financial data and analytics hub pilot, the OFR developed an expanded and enhanced platform, JADE. This platform is designed for FSOC member agencies to jointly analyze financial-stability risks and currently provides access to publicly available climate and financial data. While JADE can support research on a variety of financial stability topics, climate-related financial risk is the first research topic the FSOC is exploring within JADE. Further, the FSOC continued its work to assess climate-related financial risk. It held multiple convenings of the Climate-related Financial Risk Advisory Committee (CFRAC) and, in July 2023, the FSOC published a staff progress report highlighting the FSOC and its member agencies' progress to better assess and address climate-related financial risk.

Sustainable Treasury Operations

We have met one of two objectives in our "Sustainable Treasury Operations" APG, specifically in our progress converting our fleet to electronic vehicles. We are on track to disseminate a climate literacy program for our targeted audience.

We developed strategies and standardized processes to acquire carbon-free electricity (CFE) to meet our goal of 100 percent usage across our "Energy Goal Facilities" by 2030, with up to 50 percent generated on a 24/7 basis. We identified new and additional actionable CFE opportunities, including initiatives at the Denver Mint and the BEP's Western Currency Facility. The Denver Mint uses 100 percent clean energy by purchasing its electricity through Xcel Energy's wind energy program, Windsource. The U.S. Mint is also installing electric vehicle charging stations at all plants. In addition, the Climate Literacy Working Group partnered with the National Oceanic and Atmospheric Administration and successfully published a Climate 101 training for all staff. Additionally, Treasury published a Climate and Sustainability SharePoint site, which offers additional resources and references to all stakeholders.

GOAL 4: KEY PERFORMANCE DATA HIGHLIGHTS

Measure (Responsible Bureau/Office)	FY 20	FY 21	FY 22	FY 23	FY 23 Target	Result vs Target
Treasury-wide Footprint (Thousands of Square Feet) (Management)[1]	32,517	32,006	31,691	TBD	31,734	TBD
Explanation of Results						
[1]The actual FY 2023 square footage of Treasury-wide real property is not available until December 2023, at which time the comparison can be made of actual results versus target.						

Goal 5: Modernize Treasury Operations

We made progress in filling critical Diversity, Equity, Inclusion, and Accessibility (DEIA) leadership positions, expanding efforts to increase diversity in our talent pipeline and create a more inclusive workplace culture, and adjusting work routines to support a hybrid workforce. We also clarified our priorities regarding how we use data, beginning with building data capacity across the Department. Additionally, we issued an agency vision statement for customer experience, which is a key deliverable of our FY 2022 – 2026 Strategic Objective 5.4, to mature and embed strong customer experience practices across the Department.

Under this goal, our first strategic objective—identified as a focus area for improvement in our FY 2023 SOAR process—focuses on developing a diverse pipeline for hiring and promotions, and investing in training and development opportunities to improve retention and inclusion in our workforce. Our second strategic objective—assessed as a focus area for improvement in our FY 2023 SOAR process—focuses on modernizing our workplace infrastructure and work routines to enable an engaged and inclusive workforce of the future. Our third strategic objective centers on strengthening our data infrastructure, data governance, and analytic capabilities within the workforce. Our fourth strategic objective is to mature customer experience practices across the Department, while increasing American's trust in government.

Recruit and Retain a Diverse and Inclusive Workforce

We established the Office of Diversity, Equity, Inclusion, And Accessibility (ODEIA) to serve as a center of excellence to modernize the Department's overall DEIA strategy and drive cohesive implementation and accountability across the departmental offices and bureaus. The new structure allows for greater, more concentrated, and dedicated focus on civil rights compliance and mitigation, as well as DEIA accountability, competencies, and transparency.

Source: Adobe Stock

Newly Centralized ODEIA

The newly centralized ODEIA is responsible for four essential functions: carrying out policy analysis on racial and economic issues; advancing efforts to develop a workforce that reflects the diversity of the nation; ensuring fair and equitable business utilization; and guaranteeing compliance with civil rights laws and regulations.

The newly centralized ODEIA is responsible for four essential functions:

- carrying out policy analysis on racial and economic issues;
- developing a workforce that reflects the diversity of the nation;
- ensuring fair and equitable business utilization; and
- guaranteeing compliance with civil rights laws and regulations.

To improve our ability to implement these key functions, we expanded our Office of Minority and Women Inclusion (OMWI) Treasury-wide and aligned OMWI with our Office of Civil Rights and Equal Employment Opportunity (OCRE), formerly known as the Departmental Office's Office of Civil Rights and Diversity. In addition, ODEIA added a new component, the Treasury Equity Hub. This new office focuses on economic analysis and public policy to ensure DEIA is central to our efforts of reaching and providing services and resources to the public.

In FY 2022, ODEIA began recruiting for key senior leadership positions, including the Chief of the ODEIA, the OCRE Director, and the Director of the Equity Hub. In FY 2023, we appointed Directors of the OCRE and the Equity Hub, and we successfully filled the ODEIA Chief position in FY 2024.

Bureaus have expanded their critical leadership in DEIA efforts as well. For example, the U.S. Mint, BEP, and Fiscal Service have each hired Chief Diversity or Equity Hub Officers. Other bureaus have expanded the role of their Equal Employment Opportunity Officers to include DEIA efforts.

To ensure we develop a workforce that reflects the diversity of the nation, Fiscal Service began posting vacant positions in all its locations, where appropriate. Fiscal Service plans to increase partnerships with minority-serving institutions, improve inclusive and accessible language in recruitment and public-facing materials, expand outreach to minority-serving networks, and use alternative job listing sites. In addition, Fiscal Service continued quarterly rotational leadership development opportunities for Director-level employees in FY 2023.

TTB continued efforts to increase diversity in its talent pipeline and to create a more inclusive workplace culture. TTB established an Inclusion, Diversity, Engagement, Equity and Accessibility Council comprised of a cross-section of bureau volunteers to generate input for TTB workforce engagement and diversity strategies. TTB is also continuing a multi-year initiative to develop career development models by TTB job series based on competency and proficiency level. These tools provide transparent expectations on capabilities employees must demonstrate to advance by job series and grade, and are an important part of TTB's plans to prepare candidates for leadership positions.

In addition, FinCEN actively participates in virtual Historically Black Colleges and Universities (HBCU) recruiting events, in part through our ongoing outreach to HBCU students and alumni. FinCEN also participates in the Annual National HBCU Week Conference, planned under the leadership of the White House Initiative on HBCUs and coordinated by the Department of Education. FinCEN engages with the HBCU Museum and the Black Scholarship Fund on career opportunities.

Additionally, in FY 2023, we established an agency-wide recruitment program. The new program, which includes a council with diverse representatives from across the agency, will establish an employee value proposition and foster new talent partnerships both internally and externally.

Future Work Routines

We are committed to an evidence-based approach to developing the future of work, including adjusting work routines, and are rightsizing and equipping office spaces to support a hybrid workforce. Future efforts will focus on creating an equitable experience by enabling leaders and teams to use available tools and facilities effectively to build and maintain strong relationships and avoid proximity and in-group biases.

Source: Adobe Stock

Future of Work

We are committed to an inclusive and evidence-based approach to developing the future of work, including adjusting work routines, and are rightsizing and equipping office spaces to support a hybrid workforce.

In FY 2023, we established agency and component Work Environment Plans in accordance with OMB Memorandum M-23-15, *Measuring, Monitoring, and Improving Organizational Health and Organizational Performance in the Context of Evolving Agency Work Environments*. We continue to increase the amount of meaningful in-person interactions across the organization. In addition, our bureaus have experimented with innovative, flexible work arrangements to fill critical talent gaps and improve retention, such as piloting remote work and maxi-flex work schedules.

As work routines, employee expectations, and customer needs evolve, we continuously evaluate our practices through the Quarterly Performance Review, Organizational Health Workbook, and other organizational performance health measurement processes. We also completed an evaluation of telework policies and practices.

Better Use of Data

In FY 2023, we established the role and function of the Chief Data Officer and clarified priorities, beginning with building data capacity, increasing data literacy, improving data infrastructure, and facilitating a common lexicon across our Department.

In FY 2023, USAspending.gov launched a new homepage that improves the experience of users by re-organizing content and presenting a friendly face to reduce what was previously reported as being intimidating. The USAspending.gov team also created several features to help users understand data, including an interactive tool called "About the Data," and launched eight new videos on YouTube to help users understand how to use USAspending.gov answer common questions. Finally, given the importance of Congressional stakeholders, USAspending.gov updated features across the site to reflect new Congressional Districts, while ensuring that all data is backwards compatible to show prior Congressional Districts.

In FY 2024, we will expand our capacity to visualize and mature data by developing a data governance operational model with a focus on data stewardship and data sharing responsibilities. Implementing a Treasury-wide data catalogue will enable our workforce to access our metadata for analysis in support of mission priorities.

We are poised to better assess our commercial data investments by: (1) expanding the utility of our data inventory to capture each bureau's third-party data inventory; (2) building a data strategy to consolidate the investment, leading to a strategic sourcing effort that better leverages our buying power; and (3) potentially reducing cost burdens and improving data sharing.

Customer Experience Practices

Despite limited resources, we continue to make significant progress strengthening customer experience governance and capacity. We issued an agency vision statement for customer experience: "Earning your trust through reliable, exceptional service." Our customer experience vision statement is a key deliverable of our FY 2022 – 2026 Strategic Objective 5.4, to mature and embed strong customer experience practices across the Department. Our customer experience vision statement builds on previous actions that established the Treasury Customer Experience Community of Practice, which provides a senior leadership forum to promote successful adoption of customer experience practices across our bureaus and offices through collaboration and information sharing.

The Customer Experience Community of Practice has sufficiently matured to allow the transition to bureau leadership and continues to facilitate meaningful coordination, sharing, and collaboration across service providers.

GOAL 5: Key Performance Data Highlights

Measure (Responsible Bureau/Office)	FY 20	FY 21	FY 22	FY 23	FY 23 Target	Result vs Target
Percent of Aged Hardware (IRS)[1]	16.0%	9.3%	7.1%	19.9%	20.0%	Met
Treasury-wide EVS Satisfaction Index (Management)[2]	71%	67%	65%	65%	65%	Met

Explanation of Results

[1]The percent of aged hardware was 19.9 percent which met the 20 percent target for FY 2023. The major driver in exceeding this goal was the focus on hardware selections and timely refresh implementations. For FY 2024, IRS will continue with risk-based management to prioritize funding of assets with highest risk values.

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

ENTERPRISE RISK MANAGEMENT

FRAMEWORK

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

The CRO meets regularly with senior leaders to discuss top risks to critical programs, systems, projects, and priorities, including response strategies. The Enterprise Risk Management (ERM) Council, chaired by the Deputy CRO, brings together risk managers from each of our bureaus and policy offices on a bi-monthly basis to share best practices and discuss risks. In October 2022, the Assistant Secretary for Management aligned the ERM program to the Office of Strategy, Planning, and Performance Improvement (OSPPI) to improve its integration with our strategic direction. OSPPI works with our bureaus and policy offices to monitor and annually update our risk profile.

Beyond its work within the Department, the Deputy CRO leads an interagency ERM community of practice including officials from more than 50 federal agencies. This group originated from our efforts to support agencies in their implementation of ERM, including the *Playbook: Enterprise Risk Management for the U.S. Federal Government* as amended in 2021. This government-wide working group meets bimonthly to discuss common risks and various methods of implementing the guidelines of the circular.

RISKS AND CHALLENGES

Through the FY 2023 SOAR and enterprise risk management process, we identified the following cross-cutting risks.

Evolving Cyber Risks: We and financial sector partners face increasing attacks from cyber criminals and state actors attempting to disrupt operations or steal data from sensitive systems. The tactics, techniques, and procedures that these threat actors employ are constantly evolving.

Human Capital: There is a potential for an erosion in our mission capability due to human capital challenges, such as in the areas of hiring, knowledge management, diversity and inclusion, and employee engagement. This risk may be exacerbated when paired with changing mission and skill requirements.

Enterprise Prioritization: We may not be able to achieve the fullest extent of our objectives and perform our mission to its greatest capacity if we cannot allocate resources effectively in the current resource-constrained environment. This risk is exacerbated by uncertain funding, new or changing legislative requirements, and reduced capacity.

Data and Evidence: If we are not able to leverage data as a strategic asset, then poor data quality may deteriorate our decision-making and impede our ability to generate evidence for effective use. Insufficient technology infrastructure, poor data governance, lack of accessibility and reliability of data, and the inability to interpret data compounded by process inefficiencies may hinder our ability to use and share data and evidence to support decision-making.

Operational Resilience: We may face significant disruptions to operations, due to climate change, natural disasters, terrorist events, pandemics, or lapse in appropriations, which could inhibit successful mission delivery, curtail progress in critical areas, and introduce challenges for agency employees and contractors as well as our customers and taxpayers.

Procurement, Acquisition, and Vendor Management: The inability of our offices and bureaus to timely acquire necessary products and services, initiate work under contracts, and effectively monitor contract execution and budget may result in failure to execute mission, loss of funding, and public loss of confidence in us.

CLIMATE-RELATED RISKS AND CHALLENGES

Climate change is already impacting or is anticipated to impact our national infrastructure, operations, agriculture, human health and labor productivity, and household financial security. The likelihood of extreme weather events that could threaten our ability to fulfill time-sensitive tasks is increasing. Highly visible disruptions to our operations may reduce public confidence in government and financial markets.

We issue broad guidelines rather than overly restrictive instructions for conducting climate risk assessments as we have diverse missions and operations. These guidelines included, but were not limited to, key factors such as flooding, heat, and extreme weather (*e.g.,* hurricanes). Currently, we are using our climate action plan to guide investments towards enhancing the resilience of our buildings. Additionally, we are working to improve the access to and quality of climate data and analytical tools to better inform decision-making across the financial system. As noted above, this year the OFR launched JADE, which supports the FSOC and its member agencies researching climate-related financial risks. Finally, we are continuing to coordinate with regulators through the FSOC to facilitate information sharing, analysis, and capacity building on climate-related financial risks. This year we launched the Climate-related Financial Risk Advisory Committee (CFRAC) within FSOC to receive information and analysis on climate-related financial risks from a broad array of stakeholders.

We are committed to using our broad and far-reaching policy influence to lead and support Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*. We will play a significant role working with other federal agencies, foreign governments, and international financial institutions to stimulate global action on addressing climate change, environmental justice, and working to prevent climate change-created economic and financial crises.

Our latest Climate Action Plan can be found on our website: https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/climate-action-plan.

FY 2024 STRATEGIC OUTLOOK

Our FY 2022 – 2026 Strategic Plan, published in March 2022, describes the long-term goals and objectives we aim to achieve during this Administration. In September 2023, we updated our FY 2022 – 2026 Strategic Plan to reflect our progress, including updating our goals and objectives to reflect the most relevant initiatives and stakeholder feedback, as well as further specifying our desired outcomes and measures/indicators of success.

The updated strategic plan includes language that better describes the unique status of Tribal Governments and the nature of our work with Tribal communities and governments, updates to strategic objectives that reflect initiatives associated with the IRA, and updates to reflect our priorities in global climate commitments, among others.

Our FY 2023 SOAR outlined several critical leadership actions in the following priority areas for the coming year: (1) economic measures to advance national security; (2) transparency in the financial system; (3) climate incentives and investment; (4) sustainable Treasury operations; and (5) recruiting and retaining a diverse and inclusive workforce.

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

- identify different mechanisms to encourage progress towards beneficial ownership accountability (Goal 2: Enhance National Security);
- continue the current APG on payment experience (Goal 3: Protect Financial Stability and Resiliency);
- implement tax incentives for investments in clean energy, domestic manufacturing, and cost-saving energy efficiency as authorized by the IRA (Goal 4: Combat Climate Change);
- continue implementing OMB Memorandum 23-15, *Measuring, Monitoring, and Improving Organizational Health and Organizational Performance in the Context of Evolving Agency Work Environments,* (Goal 5: Modernize Treasury Operations).

In addition, we will continue to work diligently to support efforts to combat climate change as articulated in the IRA. We have made strides and will continue to advance global commitments in combating climate change, including setting foundations to strengthen finance for emerging markets, climate adaptation, and demonstrating leadership in the Green Climate Fund.

ADDITIONAL INFORMATION

HUMAN CAPITAL PLAN IMPLEMENTATION

In FY 2025, Treasury's Human Capital Community will continue its efforts to recruit, hire, engage, and retain a diverse workforce that represents the communities that Treasury serves. The following highlights several of the strategies on which we will focus during FY 2025:

- Promote the effectiveness of our hybrid workforce through the monitoring and assessment of non-telework, telework and remote work types across the Department.
- Establish an enterprise recruitment strategy with a focus on cross-organizational mission critical occupations and diversity.
- Establish processes for supporting Enterprise-wide recruitment and talent matching for critical positions.
- Improve workforce analysis to support more targeted recruitment efforts. Promote training and make process improvements to facilitate and evaluate recruitment activities at an operational level.
- Continue to work with appropriate stakeholders to mitigate resource, funding, or policy gaps.
- Build a framework that facilitates Treasury competency assessment processes to support and inform human capital business functions (recruitment, training, retention, etc.).,
- Create and/or designate a centralized reporting capability for tracking, monitoring, leveraging, and forecasting Treasury-wide competency and staffing data.
- Build infrastructure to support Treasury workforce supply and demand analysis through optimization of workforce staffing plans and position management capabilities.
- Increase the use of rigorous hiring assessments for mission critical occupations.
- Evaluate and analyze Talent / Learning Management alignment with emerging competency development initiatives and adjust delivery approach to schedule, scope, and cost constraints.
- Assess opportunities to further utilize technology, the Treasury Executive Institute, and other delivery methods in support of learning path development and delivery.
- Deliver training and development opportunities with new curriculum (e.g., data analytics, continuous improvement, human centered design, project/program management, customer experience, cybersecurity, digital assets, climate change, etc.).

SUMMARY OF MANAGEMENT AND PERFORMANCE CHALLENGES

In accordance with the Reports Consolidation Act of 2000, the Inspectors General are required to provide the Secretary of the Treasury with their perspective on the most serious management and performance challenges facing the Department of the Treasury. At the end of each fiscal year, the Treasury Office of Inspector General (OIG) and Treasury Inspector General for Tax Administration (TIGTA) send an update of these management challenges to the Secretary of the Treasury (hereafter referred to as "Secretary") and cite any new challenges for the upcoming fiscal year. The Special Inspector General for the Troubled Asset Relief Program (SIGTARP) identifies their management or performance challenges for the Office of Financial Stability (OFS) separately in their quarterly report to Congress. This section contains the OIG and TIGTA identified management and performance challenges and management's response.[1]

In this year's memorandum, OIG reported six challenges, one of which is new and reports on the challenges faced with operating in an uncertain environment. As shown below, five challenges are repeated and updated from last year to include Treasury's continued role in combatting the economic fallout of the Coronavirus Disease 2019 (COVID-19) global pandemic, as well as its impacts on related workforce and workstreams. The new challenge considers factors beyond Treasury's control and their impact on Treasury's operations.

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

OIG identified challenges based on the threat they pose to Treasury's mission and stakeholders' interests. OIG also acknowledges the Department's accomplishments and efforts over the past year to address critical matters as noted within each challenge. While the national emergency declaration for the COVID-19 pandemic ended in May 2023, Treasury programs established to support the pandemic are in various stages of maturity and continue to pose challenges for Treasury. As noted throughout this memorandum, Treasury will need to continue to act swiftly and draw on its existing resources to meet economic needs.

TIGTA – Identified Management Challenges

For FY 2024, TIGTA identified the IRS's top management and performance challenges as:

- Managing IRA Transformation Efforts;
- Tax Law Changes;
- Taxpayer Service;
- Human Capital;
- Information Technology Modernization;
- Protection of Taxpayer Data and IRS Resources;
- Tax Compliance and Enforcement;
- Tax Fraud and Improper Payments; and
- Taxpayer Rights.

GAO – Identified High-Risk Areas

- Modernizing the U.S Financial Regulatory System;
- Enforcement of Tax Laws; and
- Pension Benefit Guaranty Corporation Insurance Programs.

[1] The FY 2023 AFR is available at Agency Financial Report FY 2023 (treasury.gov). The response letters are on pages 217-225 (OIG) and 247-255 (TIGTA).

GOOD ACCOUNTING OBLIGATION IN GOVERNMENT ACT (GAO-IG ACT)

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

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

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

Reporting Methodology and Report Structure

This report includes GAO, OIG, and TIGTA recommendations issued up through 01/31/2023 that remained unimplemented for one year or more from the planned fiscal year 2025 budget justification submission date.

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

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

Evidence Act

The Foundations for Evidence-Based Policymaking Act ("Evidence Act"), Public Law 115-435, takes steps to advance evidence-building functions in the Federal government. The law builds on existing Federal policies and data infrastructure investments to support information quality, access, and use. Treasury's FY 2025 budget requests funding to increase capacity for evidence-building activities, including research, statistics, and evaluation. The Budget also proposes funds to evaluate Treasury programs. The Annual Performance Plan and Report section of each budget chapter (Section II, part B) highlights the ways in which evidence, including program evaluation and research findings, was used to further the agency's understanding of program performance, establish performance goals, and inform future priorities. Additionally, where the agency made changes to performance measures, the Annual Performance Plan and Report (Section II, Part C) describes how evidence informed these changes.

Treasury's FY 2022 – 2026 Learning Agenda is set of priority questions designed to generate evidence through research, evaluation, or analysis to inform agency decision-making on policy development or program administration. The Learning Agenda includes questions about past program performance and potential strategies or approaches to improve performance and meet agency goals. Additionally, the Treasury FY 2025 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.[2]

IDEA Act

Utilizing the framework established in the Office of Management and Budget's M-23-22, Delivering a Digital-First Public Experience memo, Treasury continues its work on implementing Public Law 115-336, the 21st Century Integrated Digital Experience Act (IDEA). Treasury has a responsibility to manage customer experience and mature service delivery to ensure ease of use, trustworthiness, and accessibility for the American public. Treasury's ongoing commitment to modernizing operations as referenced in the department's FY 2022-2026 Strategic Plan Goal 5, will continue its work via iterative improvements with website modernization, digitization of services, standardization, and customer experience enhancements. Through these efforts, Treasury and its high impact service providers will adhere to policy guidance and reporting requirements while providing transparency in assessment of its 21st Century IDEA progress.

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

Machine Readable Summary Tables

Treasury has developed, for online posting, machine-readable files of the budget summary tables in the executive summary chapter of the FY 2025 Congressional Budget Justification. Please see the following link for more information: https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/budget-requestannual-performance-plan-and-reports.

SUMMARY OF FY 2025 APPROPRIATIONS LANGUAGE

Note.—A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118–15, as amended). The amounts included for 2024 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, $312,294,000, of which not less than $9,000,000 shall be available for the administration of financial assistance, in addition to amounts otherwise available for such purposes: Provided, That of the amount appropriated under this heading— (1) not to exceed $650,000 is for official reception and representation expenses, of which not less than $300,000 shall be available for expenses to host and support G20 related events and shall remain available until September 30, 2026, and of which not to exceed $350,000 shall be for other 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 $42,000,000 shall remain available until September 30, 2026, 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; (F) international operations; and (G) investment security

OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE

SALARIES AND EXPENSES

For the necessary expenses of the Office of Terrorism and Financial Intelligence to safeguard the financial system against illicit use and to combat rogue nations, terrorist facilitators, weapons of mass destruction proliferators, human rights abusers, money launderers, drug kingpins, and other national security threats, $230,533,000, 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 $16,000,000 shall remain available until September 30, 2026.

CYBERSECURITY ENHANCEMENT ACCOUNT

For salaries and expenses for enhanced cybersecurity for systems operated by the Department of the Treasury, $150,000,000, to remain available until September 30, 2027: Provided, That such funds shall supplement and not supplant any other amounts made available to the Treasury offices and bureaus for cybersecurity: Provided further, That of the total amount made available under this heading $6,000,000 shall be available for administrative expenses for the Treasury Chief Information Officer to provide oversight of the investments made under this heading: Provided further, That such funds shall supplement and not supplant any other amounts made available to the Treasury Chief Information Officer.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAM

For development and acquisition of automatic data processing equipment, software, and services; for the hire of zero emission passenger motor vehicles and for supporting charging or fueling infrastructure; for expenses related to realignment of leased office space within the District of Columbia; and for repairs and renovations to buildings owned by the Department of the Treasury, $14,470,196, to remain available until September 30, 2027: 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.

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, $50,174,000, 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, 2026, shall be for audits and investigations conducted pursuant to section 1608 of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (33 U.S.C. 1321 note); and of which not to exceed $1,000 shall be available for official reception and representation expenses.

COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES

For necessary expenses of the Committee on Foreign Investment in the United States, $21,000,000, to remain available until expended: Provided, That the chairperson of the Committee may transfer such amounts to any department or agency represented on the Committee (including the Department of the Treasury) subject to advance notification to the Committees on Appropriations of the House of Representatives and the Senate: Provided further, That amounts so transferred shall remain available until expended for expenses of implementing section 721 of the Defense Production Act of 1950, as amended (50 U.S.C. 4565), and shall be available in addition to any other funds available to any department or agency: Provided further, That fees authorized by section 721(p) of such Act shall be credited to this appropriation as offsetting collections: Provided further, That the total amount appropriated under this heading from the general fund shall be reduced as such offsetting collections are received during fiscal year 2025, 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; $179,026,000, of which $5,000,000 shall remain available until September 30, 2026; of which not to exceed $6,000,000 shall be available for official travel expenses; of which not to exceed $500,000 shall be available for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General for Tax Administration; and of which not to exceed $1,500 shall be available for official reception and representation expenses.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

To carry out the Riegle Community Development and Regulatory Improvement Act of 1994 (subtitle A of title I of Public Law 103–325), including services authorized by section 3109 of title 5, United States Code, but at rates for individuals not to exceed the per diem rate equivalent to the rate for EX-III, $324,908,000. Of the amount appropriated under this heading— (1) not less than $210,000,000, 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, 2026, for financial assistance and technical assistance under subparagraphs (A) and (B) of section 108(a)(1), respectively, of Public Law 103–325 (12 U.S.C. 4707(a)(1)(A) and (B)), of which up to $1,600,000 may be available for training and outreach under section 109 of Public Law 103–325 (12 U.S.C. 4708), of which up to $3,153,750 may be used for the cost of direct loans, of which up to $10,000,000, notwithstanding subsection (d) of section 108 of Public Law 103–325 (12 U.S.C. 4707(d)), may be available to provide financial assistance, technical assistance, training, and outreach to community development financial institutions to expand investments that benefit individuals with disabilities: Provided, That the cost of direct and guaranteed loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000: Provided further, That of the funds provided under this paragraph, excluding those made to community development financial institutions to expand investments that benefit individuals with disabilities and those made to community development financial institutions that serve populations living in persistent poverty counties, the CDFI Fund shall prioritize Financial Assistance awards to organizations that invest and lend in high-poverty areas: Provided further, That for purposes of this section, the term "high-poverty area" means any census tract with a poverty rate of at least 20 percent as measured by the 2016–2020 5-year data series available from the American Community Survey of the Bureau of the Census for all States and Puerto Rico or with a poverty rate of at least 20 percent as measured by the [2010]2020 Island areas Decennial Census data for any territory or possession of the United States; (2) not less than $25,000,000, notwithstanding section 108(e) of Public Law 103–325 (12 U.S.C. 4707(e)), is available until September 30, 2026, for financial assistance, technical assistance, training, and outreach programs designed to benefit Native American, Native Hawaiian, and Alaska Native communities and provided primarily through qualified community development lender organizations with experience and expertise in *community development banking and lending in Indian country, Native American organizations, Tribes and Tribal organizations, and other suitable providers; (3) not less than $35,000,000 is available until September 30, 2026, for the Bank Enterprise Award program; (4) not less than $9,000,000 is available until September 30, 2026, 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; (5) up to $35,908,000 is available for administrative expenses, including administration of CDFI Fund programs and the New Markets Tax Credit Program, of which not less than $1,000,000 is for the development of tools to better assess and inform CDFI investment performance and CDFI program impacts, and up to $300,000 is for administrative expenses to carry out the direct loan program; and (6) up to $10,000,000 is available until September 30, 2026, 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, 2026: Provided further, That of the funds awarded under this heading, not less than 10 percent shall be used for awards that support investments that serve populations living in persistent poverty counties: Provided further, That for the purposes of this paragraph and paragraph (1), the term "persistent poverty counties" means any county, including county equivalent areas in Puerto Rico, that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the 1990 and 2000 decennial censuses and the 2016–2020 5-year data series available from the American Community Survey of the Bureau of the Census or any other territory or possession of the United States that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the 1990, 2000, 2010, and 2020 Island Areas Decennial Censuses, or equivalent data, of the Bureau of the Census.*

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel and training expenses of non-Federal and foreign government personnel to attend meetings and training concerned with domestic and foreign financial intelligence activities, law enforcement, and financial regulation; services authorized by 5 U.S.C. 3109; not to exceed $25,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, $215,689,000, of which not to exceed $94,600,000 shall remain available until September 30, 2027.

BUREAU OF THE FISCAL SERVICE

SALARIES AND EXPENSES

For necessary expenses of operations of the Bureau of the Fiscal Service, $396,159,000; of which not to exceed $8,000,000, to remain available until September 30, 2027, is for information systems modernization initiatives; and of which $5,000 shall be available for official reception and representation expenses. In addition, $235,000, 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, $159,679,000; of which not to exceed $6,000 shall be available for official reception and representation expenses; and of which not to exceed $50,000 shall be available for cooperative research and development programs for laboratory services; and provision of laboratory assistance to State and local agencies with or without reimbursement: Provided, That of the amount appropriated under this heading, $5,000,000 shall remain available until September 30, 2026.

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 2025 under such section 5136 for circulating coinage and protective service capital investments of the United States Mint shall not exceed $50,000,000.

INTERNAL REVENUE SERVICE

TAXPAYER SERVICES

For necessary expenses of the Internal Revenue Service to provide taxpayer services, including pre-filing assistance and education, filing and account services, taxpayer advocacy services, and other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, $2,780,606,000, of which not to exceed $100,000,000 shall remain available until September 30, 2026, 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 $55,000,000, to remain available until September 30, 2026, shall be available for the Community Volunteer Income Tax Assistance Matching Grants Program for tax return preparation assistance, and of which not less than $236,000,000 shall be available for operating expenses of the Taxpayer Advocate Service: Provided, That of the amounts made available for the Taxpayer Advocate Service, not less than $7,000,000 shall be for identity theft and refund fraud casework.

ENFORCEMENT

For necessary expenses for tax enforcement activities of the Internal Revenue Service to determine and collect owed taxes, to provide legal and litigation support, to conduct criminal investigations, to enforce criminal statutes related to violations of internal revenue laws and other financial crimes, to purchase and hire passenger motor vehicles (31 U.S.C. 1343(b)), and to provide other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, $5,437,622,000; of which not to exceed $250,000,000 shall remain available until September 30, 2026; of which not less than $60,257,000 shall be for the Interagency Crime and Drug Enforcement program; and of which not to exceed $35,000,000 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 "Technology and Operations Support" heading.*

TECHNOLOGY AND OPERATIONS SUPPORT

For necessary expenses to operate the Internal Revenue Service to support taxpayer services and enforcement programs, including rent payments; facilities services; printing; postage; physical security; headquarters and other IRS-wide administration activities; research and statistics of income; telecommunications; information technology development, enhancement, operations, maintenance and security; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); the operations of the Internal Revenue Service Oversight Board; and other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $4,100,826,000, of which not to exceed $275,000,000 shall remain available until September 30, 2026; 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, 2027, 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 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 2026, a summary of cost and schedule performance information for its major information technology systems.

ADMINISTRATIVE PROVISIONS— INTERNAL REVENUE SERVICE

SEC. 101. *Not to exceed 8 percent of any funds made available in this Act or any other provision of law to the Internal Revenue Service may be transferred to any other Internal Revenue Service appropriation upon the advance notification 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).*
SEC. 111. *The Secretary of the Treasury (or the Secretary's delegate) may use funds made available to the Internal Revenue Service in this Act or any other provision of to appoint, without regard to sections 3304 and 3309 through 3319 of title 5, United States Code, qualified candidates to positions in the competitive service in occupations for which the Secretary of the Treasury (or the Secretary's delegate) ("the Secretary") has determined in writing that that there is a critical hiring need or severe shortage of highly qualified candidates: Provided, That the Secretary shall consult with the Office of Personnel Management (OPM) on the positions to recruit (including quantity), as well as candidate recruitment, assessment, and selection policies; issue guidance to human resources practitioners in the Internal Revenue Service on use of this authority; use OPM qualification standards in all appointments made; and exercise this authority consistent with the requirements in any collective bargaining agreement between the Internal*
Revenue Service and a labor organization which has been granted exclusive recognition under chapter 71 of title 5, United States Code: Provided further, That no later than 180 days after expiration of this authority, the Secretary shall, in consultation with the Director of OPM, provide a report to Congress that includes demographic data of individuals hired pursuant to this authority; salary information of individuals hired pursuant to this authority; and how IRS exercised this authority consistent with merit systems principles: Provided further, That the appointment authority under this section shall expire September 30, 2027.
SEC. 112. *Notwithstanding section 1344 of title 31, United States Code, funds appropriated to the Internal Revenue Service in this Act may be used to provide passenger carrier transportation*

and protection between the Commissioner of Internal Revenue's residence and place of employment.

SEC. 113. *The Secretary of the Treasury (or the Secretary's delegate) may use funds made available to the Internal Revenue Service in this Act or any other provision of law, subject to such policies as the Secretary (or the Secretary's delegate) may establish, to take such personnel actions as the Secretary (or the Secretary's delegate) determines necessary to administer the Internal Revenue Code of 1986, including (1) in addition to the authority under section 7812(1) of the Internal Revenue Code of 1986, appointing not more than 200 individuals to positions in the Internal Revenue Service under streamlined critical pay authority subject to the requirements and conditions under section 9503 of title 5, United States Code, except that subsection 9503(a)(3) of such title shall not apply; and (2) appointing not more than 300 individuals to positions in the Internal Revenue Service at any one time for which (A) the rate of basic pay may be established by the Secretary of the Treasury (or the Secretary's delegate) at a rate that does not exceed the salary set in accordance with section 104 of title 3, United States Code; and (B) the total annual compensation paid to an employee in such a position, including allowances, differentials, bonuses, awards, and similar cash payments, may not exceed the maximum amount of total annual compensation payable at the salary set in accordance with section 104 of title 3, United States Code: Provided, That the authority provided under this paragraph shall expire on September 30, 2031.*

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

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

SEC. 114. *Not to exceed 2 percent of any appropriations in this title made available under the headings "Departmental Offices—Salaries and Expenses", "Office of Inspector General, "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 prior notification of the Committees on Appropriations of the House of Representatives and the Senate: Provided, That no such transfer may increase or decrease any such appropriation by more than 2 percent: Provided further, That, upon the prior notification of the Committees on Appropriations of the House of Representatives and the Senate, not to exceed 5 percent of any appropriation made available under the heading "Office of Terrorism and Financial Intelligence" and "Financial Crimes Enforcement Network" may be transferred between such appropriations.*

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

SEC. 116. *None of the funds appropriated in this Act or otherwise available to the Department of the Treasury or the Bureau of Engraving and Printing may be used to redesign the $1 Federal Reserve note.*
SEC. 117. *The Secretary of the Treasury may transfer funds from the "Bureau of the Fiscal Service—Salaries and Expenses" to the Debt Collection Fund as necessary to cover the costs of debt collection: Provided, That such amounts shall be reimbursed to such salaries and expenses account from debt collections received in the Debt Collection Fund.*
SEC. 118*. None of the funds appropriated or otherwise made available by this or any other Act may be used by the United States Mint to construct or operate any museum without the prior notification of the Committees on Appropriations of the House of Representatives and the Senate, the House Committee on Financial Services, and the Senate Committee on Banking, Housing, and Urban Affairs.*
SEC. 119. *None of the funds appropriated or otherwise made available by this or any other Act or source to the Department of the Treasury, the Bureau of Engraving and Printing, and the United States Mint, individually or collectively, may be used to consolidate any or all functions of the Bureau of Engraving and Printing and the United States Mint without the prior notification of the House Committee on Financial Services; the Senate Committee on Banking, Housing, and Urban Affairs; and the Committees on Appropriations of the House of Representatives and the Senate.*
SEC. 120. *Funds appropriated by this Act, or made available by the transfer of funds in this Act, for the Department of the Treasury's intelligence or intelligence related activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 2025 until the enactment of the Intelligence Authorization Act for Fiscal Year 2025.*
SEC. 121. *Not to exceed $5,000 shall be made available from the Bureau of Engraving and Printing's Industrial Revolving Fund for necessary official reception and representation expenses.*
SEC. 122*. During fiscal year 2025— (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. 123*. Within 45 days after the date of enactment of this Act, the Secretary of the Treasury shall submit an itemized report to the Committees on Appropriations of the House of Representatives and the Senate on the amount of total funds charged to each office by the Franchise Fund including the amount charged for each service provided by the Franchise Fund to each office, a detailed description of the services, a detailed explanation of how each charge for each service is calculated, and a description of the role customers have in governing in the Franchise Fund.*
SEC. 124. *(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. 125*. In addition to amounts otherwise available, there is appropriated to the Special Inspector General for Pandemic Recovery, $5,327,000, to remain available until expended, for necessary expenses in carrying out section 4018 of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136).*
SEC. 126. *Not to exceed 5 percent of any appropriation made available in this Act for the Department of the Treasury may be transferred to the Department's information technology system modernization and working capital fund (IT WCF), as authorized by section 1077(b)(1) of title X of division A of the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115–91), for the purposes specified in section 1077(b)(3) of such Act, upon the prior notification of the Committees on Appropriations of the House of Representatives and the Senate: Provided, That amounts transferred to the IT WCF under this section shall remain available for obligation through September 30, 2028.*
SEC. 127. *Up to $1,000,000 of any appropriation in this title may be transferred to the Special Inspector General for Pandemic Recovery appropriation upon the prior notification of the Committees on Appropriations of the House of Representatives and the Senate.*
SEC. 128. *Amounts made available under section 601(f)(3) of the Social Security Act (42 U.S.C. 801(f)(3)) shall be available for any necessary expenses of the Department of the Treasury Office of Inspector General with respect to section 601 of that Act, subtitle A of title V of division N of the Consolidated Appropriations Act, 2021, and section 3201 of the American Rescue Plan Act of 2021, in addition to amounts otherwise available for such purposes.*