

# FY 2021 EXECUTIVE SUMMARY

## President's Budget Discretionary Appropriation Request

Dollars in Thousands

	FY 2019 Enacted (post IRS transfer)	FY 2020 Enacted	FY 2020 Enacted (post IRS transfer)	FY 2021 President's Budget
<b>Management &amp; Financial</b>	<b>\$1,458,758</b>	<b>\$1,538,377</b>	<b>\$1,538,377</b>	<b>\$1,300,909</b>
Departmental Offices Salaries and Expenses	\$214,576	\$228,373	\$228,373	\$241,473
Post-transfer Oversight of USSS (non-add)	\$0	\$0	\$0	\$1,500
Committee on Foreign Investment in the United States (CFIUS) Fund	\$0	\$20,000	\$20,000	\$20,000
CFIUS Fees	\$0	(\$10,000)	(\$10,000)	(\$20,000)
<b>Subtotal CFIUS Fund (non add)<sup>1</sup></b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$0</b>
Office of Terrorism and Financial Intelligence	\$159,000	\$169,712	\$169,712	\$172,751
Cybersecurity Enhancement Account	\$25,208	\$18,000	\$18,000	\$18,000
Treasury Capital Investments and Modernization Fund <sup>2</sup>	\$4,000	\$6,118	\$6,118	\$13,500
Office of Inspector General	\$37,044	\$41,044	\$41,044	\$39,335
Treasury Inspector General for Tax Administration	\$170,250	\$170,250	\$170,250	\$171,350
Special Inspector General for TARP	\$23,000	\$22,000	\$22,000	\$17,500
Community Development Financial Institutions Fund	\$250,000	\$262,000	\$262,000	\$14,000
Financial Crimes Enforcement Network	\$117,800	\$126,000	\$126,000	\$126,963
Alcohol and Tobacco Tax and Trade Bureau	\$119,600	\$119,600	\$119,600	\$125,837
Bureau of the Fiscal Service	\$338,280	\$340,280	\$340,280	\$350,200
Digitization of Unredeemed Matured Savings Bonds Records	\$0	\$25,000	\$25,000	\$10,000
<b>Tax Administration<sup>3</sup></b>				
Taxpayer Services	\$2,491,554	\$2,511,554	\$2,535,554	\$2,562,554
Enforcement	\$4,665,600	\$5,010,000	\$4,909,500	\$5,071,260
Operations Support	\$3,918,400	\$3,808,500	\$3,885,000	\$4,104,689
<b>Subtotal</b>	<b>\$11,075,554</b>	<b>\$11,330,054</b>	<b>\$11,330,054</b>	<b>\$11,738,503</b>
Business Systems Modernization	\$150,000	\$180,000	\$180,000	\$300,000
Tax Reform Implementation	\$77,000	\$0	\$0	\$0
<b>IRS Total Excluding Cap Adjustment</b>	<b>\$11,302,554</b>	<b>\$11,510,054</b>	<b>\$11,510,054</b>	<b>\$12,038,503</b>
Cap Adjustment	\$0	\$0	\$0	\$400,000
<b>IRS Total, Including Cap Adjustment</b>	<b>\$11,302,554</b>	<b>\$11,510,054</b>	<b>\$11,510,054</b>	<b>\$12,438,503</b>
<b>Subtotal, Treasury Appropriations excluding U.S. Secret Service and Cap Adjustment<sup>4</sup></b>	<b>\$12,761,312</b>	<b>\$13,048,431</b>	<b>\$13,048,431</b>	<b>\$13,339,412</b>
<b>United States Secret Service<sup>5</sup></b>	<b>\$2,248,159</b>	<b>\$2,415,845</b>	<b>\$2,415,845</b>	<b>\$2,360,538</b>
Operations and Support	\$2,148,528	\$2,336,401	\$2,336,401	\$2,310,296
Procurement, Construction & Improvements	\$97,131	\$66,989	\$66,989	\$38,305
Research and Development	\$2,500	\$12,455	\$12,455	\$11,937
<b>Subtotal, Treasury including U.S. Secret Service and excluding Cap Adjustment<sup>6</sup></b>	<b>\$15,009,471</b>	<b>\$15,464,276</b>	<b>\$15,464,276</b>	<b>\$15,699,950</b>
<b>Treasury International Programs</b>	<b>\$1,547,697</b>	<b>\$1,736,780</b>	<b>\$1,736,780</b>	<b>\$1,592,244</b>
Multilateral Development Banks	\$1,348,122	\$1,522,205	\$1,522,205	\$1,481,244
Food Security	\$30,000	\$30,000	\$30,000	\$0
Environmental Trust Funds	\$139,575	\$139,575	\$139,575	\$0
Office of Technical Assistance	\$30,000	\$30,000	\$30,000	\$33,000
Debt Restructuring - Tropical Forest Conservation Act	\$0	\$15,000	\$15,000	\$0
Somalia - Bilateral Debt Relief	\$0	\$0	\$0	\$78,000
<b>Total, Treasury excluding Cap Adjustment</b>	<b>\$16,557,168</b>	<b>\$17,201,056</b>	<b>\$17,201,056</b>	<b>\$17,292,194</b>
<b>Total, Treasury</b>	<b>\$16,557,168</b>	<b>\$17,201,056</b>	<b>\$17,201,056</b>	<b>\$17,692,194</b>

1/ The overall request for Treasury's CFIUS costs is \$35 million, which includes \$15 million from the CFIUS Fund and \$20 million from Departmental Offices Salaries and Expenses.

2/ Previously known as the Department-wide Systems and Capital Investments Program.

3/ FY 2020 Enacted (post IRS transfer) includes a proposed transfer of \$100.5 million from Enforcement to Taxpayer Services (\$24 million) and Operations Support (\$76.5 million). FY 2019 Enacted (post IRS transfer) includes a transfer of \$194 million from Enforcement to Operations Support. \$77 million for implementation of the Tax Cuts and Jobs Act was allocated to Taxpayer Services (\$65 million) and Enforcement (\$12 million).

4/ Treasury's enacted appropriation in FY 2019 was \$12,561 million, after a \$200 million rescission from the Treasury Forfeiture Fund.

5/ The FY 2021 President's Budget assumes the transfer of U.S. Secret Service to Treasury in FY 2021. FY 2019 and FY 2020 enacted amounts exclude rescissions and administrative adjustments (\$5.7M in FY 2019/\$.7M in FY 2020).

6/ U.S. Secret Service appropriations are included in the subtotals for FY 2019 and FY 2020 for comparison purposes, but were not included in Treasury's enacted appropriations in those years.

## **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 \$15.7 billion in base discretionary resources for the Department of the Treasury's domestic programs, a \$236 million or 1.5 percent increase from the FY 2020 enacted level. Excluding the United States Secret Service, Treasury requests \$13.3 billion in base discretionary resources, a \$291 million or 2.2 percent increase from FY 2020 enacted levels. It also requests \$1.6 billion for Treasury's international programs, a \$145 million or 8.3 percent decrease from the FY 2020 enacted level. The Budget:

- Proposes to transfer of the United States Secret Service (USSS) from the Department of Homeland Security to Treasury as a standalone bureau. The request provides USSS with \$2.36 billion in base discretionary resources to support the 2020 Presidential election through inauguration, continue growth in staff to meet mission expansion, and advanced countermeasures to address established and evolving threats.
- Provides the IRS with \$12.0 billion from base discretionary appropriations to collect \$3.6 trillion in revenue, process more than 255 million tax returns, and continue to transform systems to improve taxpayer service and experience and tax administration over the long-term.
  - The request provides \$300 million for multi-year modernization efforts to deliver long-term, systemic transformation of service and compliance for millions of taxpayers, small businesses, and corporations, as well as put IT operations and maintenance costs on a sustainable path. The IRS will continue developing a case management solution to replace 60 legacy systems, new digital service options including electronic notices and live chat assistance, and new web applications to streamline taxpayer filing, payment, and authentication.
  - The request proposes \$106 million for Taxpayer First Act implementation to revamp IRS customer service, introduce new taxpayer protections, and deliver new online service platforms to facilitate filing and payment.
  - The request includes \$5.1 billion in the enforcement account to continue building compliance staffing and protect billions of dollars in revenue. The IRS is one of the best investments in the federal government with an overall return on investment of \$5 for every \$1 invested, not including significant deterrence effects. Every dollar invested in enforcement requires a funding increase in operations support for technology and administrative costs.
  - In addition to the amounts above, the request includes a program integrity initiative that will generate approximately \$79 billion in additional revenue and will cost approximately \$15 billion, yielding estimated net savings of \$64 billion over ten years.
- Provides \$241 million for Treasury Departmental Offices (including \$20 million for the Committee on Foreign Investment in the United States) growing workload with funding

increases to continue strengthening cybersecurity in the financial services sector, provide impact analysis for tax regulations, and enhance and broaden Treasury's evidence-based decision making and program evaluation. Contingent on the transfer of USSS to Treasury, the request includes \$1.5 million for departmental oversight.

- Provides \$173 million for Treasury's Office of Terrorism and Financial Intelligence (TFI), a \$3 million increase over the FY 2020 enacted level; and \$127 million for the Financial Crimes Enforcement Network (FinCEN), a \$1 million increase over the FY 2020 enacted level. These increases will allow TFI and FinCEN to continue their critical work safeguarding the financial system from abuse and combating other national security threats using non-kinetic economic tools. These additional resources will be deployed to bolster data analytic and cybercrime enforcement capabilities, fortify Bank Secrecy Act data, and counter the financial networks that support terrorists, organized transnational crime, weapons of mass destruction proliferators, and other threats.
- Proposes to transfer all alcohol and tobacco responsibilities from the Department of Justice's Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) to Treasury's Alcohol and Tobacco Tax and Trade Bureau (TTB). This transfer would leverage TTB's resources and expertise relating to the alcohol and tobacco industries and allow ATF to continue to focus on its firearms and explosives mandates, enabling both agencies to more efficiently and effectively carry out their core missions of protecting the public.
- Provides \$1.6 billion for Treasury's International Programs to support U.S. leadership in the International Financial Institutions. The budget proposes to extend and increase the IMF New Arrangements to Borrow, which preserves U.S. control over the activation of emergency IMF resources and reflects progress on a variety of institutional reforms at the IMF. In addition, it provides for critical investments to safeguard U.S. leadership in the Multilateral Development Banks (MDBs) while continuing to press for necessary reforms. Recently negotiated reforms – led by the United States - will improve financial management and debt sustainability while increasing the MDBs' focus on infrastructure, women's economic empowerment, and assistance to fragile states. The request seeks authorization and funding for U.S. participation in an African Development Bank capital increase as well as new pledges to the World Bank's International Development Association and the African Development Fund. It also includes authorization to vote in favor of a capital increase at the International Finance Corporation, which will not require any U.S. funding. The budget proposes \$33 million for Treasury's Office of Technical Assistance and \$78 million for U.S. debt relief as part of the Heavily Indebted Poor Countries (HIPC) debt relief process for Somalia.
- Proposes to impose appropriate Congressional oversight of the Treasury Financial Stability Oversight Council and Office of Financial Research (OFR) by subjecting their activities to the normal appropriations process. The Budget continues the reduced level of OFR spending commensurate with the renewed fiscal discipline being applied across the Federal Government.

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

Appropriation	2019 Actual		2020 Enacted		2021 President's Budget	
	Direct	Reimb.	Direct	Reimb.	Direct	Reimb.
Departmental Offices Salaries and Expenses	599	46	706	40	775	40
Terrorism and Financial Intelligence	440	40	526	41	575	41
Cybersecurity Enhancement	12		11		6	
Office of Inspector General	154		167		180	
Treasury Inspector General for Tax Administration	736	2	800	2	800	2
Special Inspector General for TARP	96		85		80	
Community Development Financial Institutions Fund	67		76		39	
Financial Crimes Enforcement Network	271	2	300	1	345	1
Alcohol and Tobacco Tax and Trade Bureau	485	10	502	10	508	10
Bureau of the Fiscal Service	1,495	377	1,557	412	1,582	412
Internal Revenue Service funded from regular appropriations <sup>1</sup>	73,554	642	74,619	978	74,881	1,027
United States Secret Service	7,669		7,777		7,896	
<b>Subtotal, Treasury Appropriated Level</b>	<b>85,578</b>	<b>1,119</b>	<b>87,126</b>	<b>1,484</b>	<b>87,667</b>	<b>1,533</b>
Office of Financial Stability (Administrative Account)	22		16		14	
Small Business Lending Fund Program	3		3		3	
Capital Magnet Fund	3		6		3	
Office of Financial Research	106		128		145	
Financial Stability Oversight Council	14		18		18	
Treasury Franchise Fund	1,807		1,807	2,042	2,042	2,112
Bureau of Engraving and Printing	1,727		1,727	1,804	1,804	1,863
United States Mint	1,536		1,536	1,671	1,671	1,705
Office of the Comptroller of the Currency	3,687		3,687	3,589	3,589	3,589
Terrorism Insurance Program	4		4		4	
IRS Private Collection Agent Program	111		208		308	
<b>Subtotal, Treasury Non-Appropriated Level</b>	<b>263</b>	<b>8,757</b>	<b>9,020</b>	<b>9,106</b>	<b>9,489</b>	<b>9,269</b>
<b>Total, Treasury</b>	<b>85,841</b>	<b>9,876</b>	<b>87,509</b>	<b>10,590</b>	<b>88,162</b>	<b>10,802</b>

<sup>1</sup>/Amounts for the IRS include 1,520 FTE funded from user fees in FY 2021 and exclude the proposed \$400 million program integrity cap adjustment that, if enacted, would increase IRS levels by an estimated 2,885 FTE in FY 2021.

## FY 2021 President's Budget by Strategic Goal

(Dollars in Thousands)

Treasury Goal/Objective	Boost U.S. Economic Growth	Promote Financial Stability	Enhance National Security	Transform Government-wide Financial Stewardship	Achieve Operational Excellence	Total
<b>Management &amp; Financial</b>	\$392,778	\$38,250	\$348,652	\$439,872	\$81,358	\$1,300,909
Departmental Offices Salaries and Expenses	\$82,991	\$38,250	\$48,938	\$21,437	\$49,858	\$241,473
Committee on Foreign Investment in the United States Fund <sup>1</sup>			\$20,000			\$20,000
CFIUS Fees			(\$20,000)			(\$20,000)
Office of Terrorism and Financial Intelligence			\$172,751			\$172,751
Cybersecurity Enhancement Account					\$18,000	\$18,000
Treasury Capital Investments and Modernization Fund <sup>2</sup>					\$13,500	\$13,500
Office of Inspector General				\$39,335		\$39,335
Treasury Inspector General for Tax Administration	\$171,350					\$171,350
Special Inspector General for TARP				\$17,500		\$17,500
Community Development Financial Institutions Fund	\$12,600			\$1,400		\$14,000
Financial Crimes Enforcement Network			\$126,963			\$126,963
Alcohol and Tobacco Tax and Trade Bureau	\$125,837					\$125,837
Bureau of the Fiscal Service <sup>3</sup>				\$360,200		\$360,200
<b>Tax Administration</b>	\$12,038,503					\$12,038,503
IRS Taxpayer Services	\$2,562,554					\$2,562,554
IRS Enforcement	\$5,071,260					\$5,071,260
IRS Operations Support	\$4,104,689					\$4,104,689
Business Systems Modernization	\$300,000					\$300,000
IRS Cap Adjustment <sup>4</sup>	\$400,000					\$400,000
<b>IRS Total, Including Cap Adjustment</b>	<b>\$12,438,503</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,438,503</b>
<b>Subtotal, Treasury Appropriations excluding U.S. Secret Service and Cap Adjustment</b>	<b>\$12,431,281</b>	<b>\$38,250</b>	<b>\$348,652</b>	<b>\$439,872</b>	<b>\$81,358</b>	<b>\$13,339,412</b>
<b>United States Secret Service<sup>5</sup></b>	<b>\$688,943</b>	<b>\$0</b>	<b>\$1,126,932</b>	<b>\$0</b>	<b>\$544,663</b>	<b>\$2,360,538</b>
Operations and Support	\$688,943		\$1,114,995		\$506,358	\$2,310,296
Procurement, Construction & Improvements					\$38,305	\$38,305
Research and Development			\$11,937			\$11,937
<b>Subtotal, Treasury including U.S. Secret Service and excluding Cap Adjustment</b>	<b>\$13,120,224</b>	<b>\$38,250</b>	<b>\$1,475,584</b>	<b>\$439,872</b>	<b>\$626,021</b>	<b>\$15,699,950</b>
Treasury International Programs		\$33,000		\$1,559,244		\$1,592,244
<b>Total, Treasury excluding Cap Adjustment</b>	<b>\$13,120,224</b>	<b>\$71,250</b>	<b>\$1,475,584</b>	<b>\$1,999,116</b>	<b>\$626,021</b>	<b>\$17,292,194</b>
<b>Non-Appropriated Accounts</b>						
Office of Financial Stability (Administrative Account)				\$42,154		\$42,154
Terrorism Risk Insurance (Administrative)			\$3,000			\$3,000
Financial Stability Oversight Council	\$5,220	\$5,220				\$10,439
Office of Financial Research	\$37,636	\$37,636				\$75,271
Bureau of Engraving and Printing	\$888,700					\$888,700
United States Mint	\$2,547,197					\$2,547,197
Office of the Comptroller of the Currency	\$882,721	\$220,680				\$1,103,401
Federal Reserve Bank				\$645,520		\$645,520
Reimbursable to the Federal Reserve Banks				\$176,799		\$176,799
Financial Agent Services				\$865,400		\$865,400
<b>Total, Non-Appropriated Level</b>	<b>\$4,361,473</b>	<b>\$263,535</b>	<b>\$3,000</b>	<b>\$1,729,873</b>	<b>\$0</b>	<b>\$6,357,881</b>
<b>Grand Total</b>	<b>\$17,481,696</b>	<b>\$334,785</b>	<b>\$1,478,584</b>	<b>\$3,728,989</b>	<b>\$626,021</b>	<b>\$23,650,075</b>

1/ The overall request for Treasury's CFIUS costs is \$35 million, which includes \$15 million from the CFIUS Fund and \$20 million from Departmental Offices Salaries and Expenses.

2/ Previously known as the Department-wide Systems and Capital Investments Program.

3/ The FY 2020 Enacted levels include \$25M, available until expended, for Matured Unredeemed Debt.

4/ The FY 2021 budget includes a program integrity cap adjustment of \$400 million (Enforcement \$280 million, Operations Support \$120 million).

5/ The FY 2021 President's Budget assumes the transfer of U.S. Secret Service to Treasury in FY 2021.

## Summary of FY 2021 Increases and Decreases

(Dollars in Thousands)

	DO <sup>1</sup>	CFIUS <sup>2</sup>	TFI	Cyber	TCIMF <sup>3</sup>	OIG	TIGTA	SIGTARP	CDR	FIRCIEN	TTB	FS <sup>4</sup>	USSS <sup>1</sup>	IRS	Total
<b>FY 2020 Enacted</b>	<b>\$228,373</b>	<b>\$10,000</b>	<b>\$169,712</b>	<b>\$18,000</b>	<b>\$6,118</b>	<b>\$41,044</b>	<b>\$170,250</b>	<b>\$22,000</b>	<b>\$262,000</b>	<b>\$126,000</b>	<b>\$119,600</b>	<b>\$385,280</b>	<b>\$2,415,845</b>	<b>\$11,510,054</b>	<b>\$15,464,276</b>
Maintaining Current Levels (MCLs)	\$5,472	\$0	\$3,983	\$0	\$0	\$982	\$4,354	\$510	\$641	\$2,827	\$2,748	\$9,503	\$74,701	\$452,085	\$557,806
Pay Annualization	\$1,023		\$757			\$237	\$1,048	\$117	\$99	\$380	\$590	\$1,666	\$45,875	\$67,757	\$119,549
Pay Raise	\$998		\$738			\$231	\$1,022	\$115	\$96	\$390	\$575	\$1,625	\$11,388	\$66,080	\$83,258
FERS Contribution Increase	\$1,100		\$800			\$304	\$1,582	\$141	\$131	\$524	\$714	\$1,901	\$14,146	\$100,000	\$121,343
Labor Adjustment												\$1,805		\$162,904	\$164,709
Non-Pay	\$2,351		\$1,688			\$210	\$702	\$137	\$315	\$1,533	\$869	\$2,506	\$3,292	\$55,344	\$68,947
Non-Recurring Costs			(\$2,539)	(\$18,000)	(\$6,118)				(\$1,300)		(\$32,796)		(\$101,718)		(\$162,471)
Efficiency Savings/Reinvestment	(\$1,246)		(\$2,716)										(\$9,876)	(\$143,795)	(\$157,633)
Other Adjustment/Initiative Annualization		\$10,000									\$900		(\$55,660)		(\$44,760)
<b>Adjustments to Base</b>	<b>\$4,226</b>	<b>\$10,000</b>	<b>(\$1,272)</b>	<b>(\$18,000)</b>	<b>(\$6,118)</b>	<b>\$982</b>	<b>\$4,354</b>	<b>\$510</b>	<b>\$641</b>	<b>\$1,527</b>	<b>\$3,648</b>	<b>(\$23,293)</b>	<b>(\$92,553)</b>	<b>\$308,290</b>	<b>\$192,942</b>
<b>FY 2021 Base</b>	<b>\$232,599</b>	<b>\$20,000</b>	<b>\$168,440</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,026</b>	<b>\$174,604</b>	<b>\$22,510</b>	<b>\$262,641</b>	<b>\$127,527</b>	<b>\$123,248</b>	<b>\$341,987</b>	<b>\$2,323,292</b>	<b>\$11,818,344</b>	<b>\$15,657,218</b>
Program Decreases						(\$2,691)	(\$3,254)	(\$5,010)	(\$248,641)	(\$2,864)	(\$1,500)		(\$115,990)		(\$379,950)
CFIUS User Fees		(\$20,000)													(\$20,000)
Program Increases/Reinvestments	\$8,874		\$4,311	\$18,000	\$13,500				\$2,300	\$4,089	\$4,089	\$18,213	\$153,236	\$220,159	\$442,682
<b>Subtotal, Program Changes</b>	<b>\$8,874</b>	<b>(\$20,000)</b>	<b>\$4,311</b>	<b>\$18,000</b>	<b>\$13,500</b>	<b>(\$2,691)</b>	<b>(\$3,254)</b>	<b>(\$5,010)</b>	<b>(\$248,641)</b>	<b>(\$564)</b>	<b>\$2,589</b>	<b>\$18,213</b>	<b>\$37,246</b>	<b>\$220,159</b>	<b>\$42,732</b>
FY 2021 President's Budget funded from discretionary resources	\$241,473	\$0	\$172,751	\$18,000	\$13,500	\$39,335	\$171,350	\$17,500	\$14,000	\$126,963	\$125,837	\$360,200	\$2,360,538	\$12,038,503	\$15,699,950
Program Integrity Cap Adjustment														\$400,000	\$400,000
<b>FY 2021 President's Budget including program integrity cap adjustment</b>	<b>\$241,473</b>	<b>\$0</b>	<b>\$172,751</b>	<b>\$18,000</b>	<b>\$13,500</b>	<b>\$39,335</b>	<b>\$171,350</b>	<b>\$17,500</b>	<b>\$14,000</b>	<b>\$126,963</b>	<b>\$125,837</b>	<b>\$360,200</b>	<b>\$2,360,538</b>	<b>\$12,438,503</b>	<b>\$16,099,950</b>

1/ The FY 2021 President's Budget assumes the transfer of U.S. Secret Service to Treasury in FY 2021. \$1.5 million of the Treasury-wide Management and Programs request in 2021 is contingent on legislation enacting the transfer.

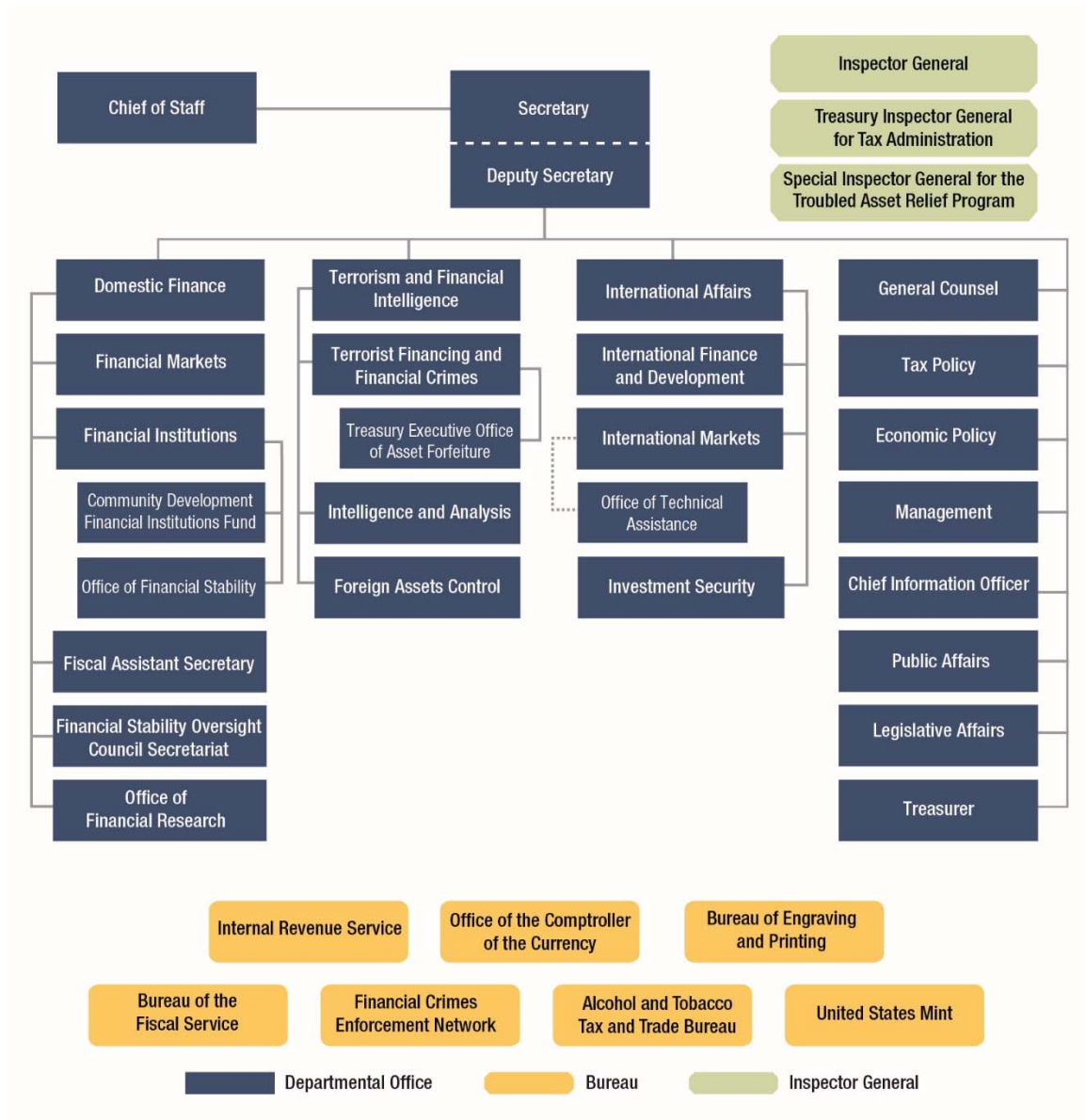
2/ CFIUS Fund enacted levels are net appropriations including user fees.

3/ Treasury Capital Investments and Modernization Fund (TCIMF) is formerly Department-wide Capital Systems Investment Programs (DSCIP).

4/ FY 2020 non-recurring costs includes MUD adjustment; program increases include \$10M for MUD.

# ORGANIZATION

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



## DEPARTMENTAL OFFICES



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



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



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



[Tax Policy](#) develops and implements tax policies and programs, reviews regulations and rulings to administer the Internal Revenue Code, and provides revenue 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 and leads the Office of Consumer Policy, which provides policy leadership, research, and analysis to foster economic growth and financial security for American families in a robust consumer marketplace. The Treasurer also oversees the U.S. Mint, including advising the Secretary on coinage matters and liaising with the Federal Reserve.



The [Office of Management and Chief Financial Officer](#), manages the Department's financial resources and oversees Treasury-wide programs, including human capital, organizational performance, information technology, acquisition, and diversity issues.



Other offices within Departmental Offices include the [General Counsel](#), [Legislative Affairs](#), and [Public Affairs](#).

## INSPECTORS GENERAL



Three Inspectors General – the [Office of Inspector General \(OIG\)](#), the [Treasury Inspector General for Tax Administration \(TIGTA\)](#), and the [Special Inspector General for the Troubled Asset Relief Program \(SIGTARP\)](#) – provide independent audits, investigations, and oversight of Treasury and our programs.



## BUREAUS<sup>1</sup>



The [Alcohol and Tobacco Tax and Trade Bureau \(TTB\)](#) collects federal excise taxes on alcohol, tobacco, firearms, and ammunition and enforces and administers laws covering 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 and combats money laundering. It also promotes national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.



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 provides government-wide accounting and reporting.

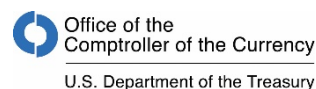


The [Internal Revenue Service \(IRS\)](#) determines, assesses, and collects U.S. tax revenue and helps taxpayers understand their tax responsibilities and combats tax-related fraud.



UNITED STATES MINT

The [United States Mint \(U.S. Mint\)](#) designs, mints, and issues U.S. circulating, numismatic, and bullion coins, strikes Congressional gold medals and other medals of national significance, and maintains physical custody and protection of most of the nation's gold and all its 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.

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<sup>1</sup> Treasury proposes the transfer of the U.S. Secret Service from DHS as a stand-alone bureau.

# TREASURY STRATEGIC MANAGEMENT

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## 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 serve two key purposes for stakeholders within and outside of the organization — to assess the organization’s health and impact, and to enhance effective decision-making and strategy, including resource allocation. In this spirit, Treasury developed a strategic framework using best-in-class organizational performance practices to help achieve our strategic goals and objectives.

## ORGANIZATIONAL PERFORMANCE REVIEW CYCLE

Our organizational performance reviews provide a regular forum for open dialogue and coordination between bureau and departmental policy office management and leadership. We bring together different perspectives to set and align priorities, identify and solve problems, review agency performance, and drive results. The cycle integrates statutory requirements to conduct quarterly performance reviews of agency goals and a Strategic Objective Annual Review (SOAR). The SOAR process includes analyzing cross-cutting performance and identifying a set of strategic objectives as priority focus areas. In 2019, the *Foundation for Evidence-Based Policy Act* was signed into law to further advance the Federal Government’s evidence-building functions. In this fiscal year, Treasury approached the implementation of the evidence-building requirements by leveraging Treasury’s strategic management framework, including the SOAR, to initiate an agency learning agenda.

At designated points throughout the fiscal year, we set annual priorities, evaluate progress against goals and objectives, discuss new strategies to improve program outcomes, and assess funding options to increase results for the agency. Treasury’s process and framework for managing to our strategic objectives and performance outcomes are described in Table 1 below.

**Table 1: Strategic Framework**

Sessions	Fall (October – November)	Winter (February – March)	Spring (April – May)	Summer (June – July)
Focus	<b>Organizational Performance</b>	<b>SOAR</b>	<b>Organizational Performance</b>	<b>Budget</b>
Chair	Assistant Secretary for Management/Performance Improvement Officer (ASM/PIO)	ASM/PIO and Deputy PIO	ASM/PIO	ASM/PIO and Budget Officer
Goals/Outcomes	<ul style="list-style-type: none"> <li>Review prior year’s performance at the bureau/office level</li> <li>Set priorities for year ahead</li> <li>Recognize successes</li> <li>Identify shortfalls/ accountability</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate cross-agency progress toward strategic objectives</li> <li>Identify strategic shifts/ validate Treasury priorities</li> <li>Outline potential topics for annual review with the Office of Management and Budget (OMB)</li> </ul>	<ul style="list-style-type: none"> <li>Assess progress on priorities</li> <li>Identify necessary adjustments/near-term improvements</li> <li>Surface problems or assistance needed</li> <li>Recognize successes</li> <li>Identify shortfalls/ accountability</li> </ul>	<ul style="list-style-type: none"> <li>Connect priorities to future funding</li> <li>Explore performance impacts</li> <li>Strengthen information technology acquisition budgeting accountability</li> </ul>

## **FY 2018 – 2022 STRATEGIC FRAMEWORK**

The strategic framework comprises the Department’s FY 2018–2022 strategic goals and objectives and FY 2018–2019 Agency Priority Goals (APGs), which align to specific objectives. All bureaus and offices align their programs and performance within this framework. In FY 2019, after Treasury’s annual review to assess progress towards the Department’s strategic objectives, Treasury leadership identified three key updates. First, we realigned Strategic Objective 2.2 (Foreign Exchange Practices) as a new strategy under Strategic Objective 1.4 (Free and Fair Trade). Second, we updated Strategic Objective 3.3 (Economic Strength and National Security) to ensure our supporting strategies on this objective better distinguished responsibilities among offices and to reflect Treasury’s current efforts. Finally, we expanded Strategic Objective 5.3 from only reflecting “customer value” to “customer value and experience” to better align with the President’s Management Agenda’s goal of improving customer experience. Our updated goals and objectives are reflected below.

	Strategic Goals	Strategic Objectives/APGs	Contributing Bureaus/Offices
Economic	<b>Goal 1:</b> Boost U.S. Economic Growth	1.1: Tax Law Implementation <i>Aligned APG: Reducing Refund Fraud</i> <hr/> 1.2: Strong Economic Fundamentals <hr/> 1.3: Trusted Currency and Services <i>Aligned APG: Improved Business Qualification Process</i> <hr/> 1.4: Free and Fair Trade	Domestic Finance International Affairs Tax Policy Treasurer Economic Policy IRS BEP U.S. Mint TTB OCC
	<b>Goal 2:</b> Promote Financial Stability	2.1: Housing Finance Reform <hr/> 2.2: (Incorporated into Strategic Objective 1.4) <hr/> 2.3: Foreign Technical Assistance <hr/> 2.4: Financial Sector Critical Infrastructure and Cybersecurity	Domestic Finance International Affairs Management OCC
Security	<b>Goal 3:</b> Enhance National Security	3.1: Strategic Threat Disruption <i>Aligned APG: U.S. and Mexico Strategic Dialogue on Illicit Finance</i> <hr/> 3.2: Anti-Money Laundering and Combating Financing of Terrorism Framework <hr/> 3.3: Economic Strength and National Security	TFI FinCEN International Affairs Economic Policy OCC
Financial	<b>Goal 4:</b> Transform Government-wide Financial Stewardship	4.1: Financial Data Access and Use <hr/> 4.2: Debt Management <hr/> 4.3: Federal Financial Performance	Domestic Finance International Affairs IRS Fiscal Service
Management	<b>Goal 5:</b> Achieve Operational Excellence	5.1: Workforce Management <hr/> 5.2: Treasury Infrastructure <hr/> 5.3: Customer Value and Experience	All Offices and Bureaus, led by the Office of Management

The Government Performance and Results Act (GPRA) and the GPRAMA established the need for agencies to identify performance goals, report progress against targets, and conduct data-driven reviews. These practices serve two key purposes for stakeholders within and outside of the organization: to assess the organization’s health and impact and to inform decision-making and strategy (including effective resource allocation). In this spirit, we developed a strategic framework supported by best-in-class organizational performance practices to help achieve the Department’s strategic objectives.

Our organizational performance reviews provide a regular forum for open dialogue and coordination among Department, bureau, and office leadership and bringing together different perspectives to set and align priorities, identify and solve problems, review agency performance goals, and drive results. The cycle integrates statutory requirements to conduct performance reviews of agency strategic objectives, agency priority goals, and cross-agency priority goals.

## FYs 2018-2019 AGENCY PRIORITY GOALS

**Fraud Prevention:** The filing of fraudulent individual and business tax returns by identity thieves continues to have a significant impact on tax administration. Identity theft tax fraud occurs when an individual uses another person's or business' name and Taxpayer Identification Number to file a fraudulent tax return for the purpose of obtaining a tax refund. The IRS is using data analytics and public-private partnerships to reduce the amount of unprotected identity theft tax refunds. Progress toward this goal is measured using the IRS's annual Taxonomy, a statistical estimation of the amount of revenue protected and unprotected from identity refund fraud based on analysis and sampling of returns. Although the Taxonomy provides a statistical estimation of fraud detection, the detection methods are evaluated continuously for opportunities to improve detection or reduce taxpayer burden. For processing year 2016, the IRS estimates between \$1.68 billion and \$2.31 billion of identity theft tax refunds were unprotected (i.e., refunds were paid on probable identity theft refund fraud claims and are likely unrecoverable). That same year, the IRS successfully protected between \$10.56 billion and \$10.61 billion in identity theft refunds (i.e., IRS defenses prevented payment). For processing year 2017, the IRS estimates between \$0.11 billion and \$0.60 billion of identity theft tax refunds were unprotected. The IRS successfully protected between \$11.78 billion and \$11.81 billion in identity theft refunds. As a result of the Security Summit efforts and by using data analytics, the IRS is preventing more identity theft. The Security Summit is a public-private partnership that consists of the IRS, representatives from the software industry, tax preparation firms, payroll and tax financial product processors, and state tax administrators. It was established in 2015 to combat identity theft refund fraud to protect the nation's taxpayers.

**Improved Business Qualification:** Ongoing growth in the alcohol beverage industry in recent years has resulted in an increased volume in permit applications for new alcohol producers. This growth in workload has contributed to delayed permit approvals that exceeded TTB's service standards. Reaching the goal of consistently achieving the service standard for original permit applications has proven difficult, with application volumes high and continuing to increase. TTB met one of its two APG targets by the end of FY 2019, reducing average approval times by 20% from 96 days in FY 2017 to 75 days in FY 2019. However, TTB fell short of its second target to achieve the 75-day service standard for 85% of permit applicants. In FY 2019, during the government shutdown, with industry continuing to file for Federal permit approval, the backlog of pending applications continued to increase and age. As a result, for FY 2019, TTB issued 58% of permit applications within its 75-day service standard. TTB will remain focused on performance improvement through FY 2020. Through concerted recovery efforts, TTB ended the fiscal year with 68% of applications issued within 75 days in September 2019, which positions the bureau to achieve this priority goal target in FY 2020. TTB expects to achieve and maintain its performance goals through Permits Online system enhancements, continued process improvements, and implementation of permit application revisions, with the full impact of these changes expected to be realized in FY 2020. TTB strategies in the coming years also will remain focused on reducing the application error rate through system checks, enhanced guidance, and simplified application requirements.

**U.S. and Mexico Strategic Dialogue on Illicit Finance:** Established in 2014, the Strategic Dialogue on Illicit Finance (SDIF) was created in an effort to deliver greater economic growth and opportunity for the citizens of Mexico and the United States by safeguarding our financial systems against the threats of illicit finance. SDIF remained a critical avenue in FY 2019 between the Government of Mexico (GOM) and the Treasury Department on combatting illicit finance activities that exist within and between our two countries. During this year, the two governments partnered together to address systemic anti-money laundering / countering the financing of terrorism (AML/CFT) issues, specific threats that affect both of our countries, and sharing best practices on the use of existing and new authorities available to each government. Within the SDIF, the Treasury Department has been on track in our key milestones of assisting with Mexico's domestic sanctions reforms, providing information to be used in investigations by Mexico's law enforcement, and confirming our mutual understanding of illicit finance trends associated with Mexican drug trafficking organizations. Also completed this year was Treasury and the GOM's annual principal-level SDIF, hosted at the Assistant Secretary level, and the planning for a SDIF deputies (to be held in November 2019). Principals committed the SDIF to forming and developing three task forces on human trafficking, trade based money laundering, and exchange houses. These milestones were accomplished despite Mexico's loss of key personnel and austerity measures that were enacted by the new Administration, as well as the disruption in scheduling and planning caused by the U.S. Government shutdown in January. In FY 2020, the Treasury Department will continue working with the GOM through SDIF on AML/CFT issues of concern.

## FYs 2020-2021 AGENCY PRIORITY GOALS

Treasury Priority Goals (FYs 2020-2021)	Goal Leader(s)
<p><b>Implementation of the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA).</b> Successful implementation of the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) will ensure that identified national security risks arising from certain foreign investments—including from some types of investments and transactions that previously fell outside of Committee on Foreign Investment in the United States’ (CFIUS) jurisdiction—are addressed in an effective manner. By September 30, 2021, the Department of the Treasury, as Chair of the CFIUS program, will implement key elements of FIRRMA, including:</p> <ul style="list-style-type: none"> <li>• Publishing final FIRRMA regulations, including filing fees, by February 2020.</li> <li>• Completing Phase 1 of work space construction to enhance operational security by June 2020.</li> <li>• Implementing a new information technology infrastructure and electronic case management system by September 2020.</li> <li>• Implementing and managing processes to monitor a significantly increased caseload.</li> </ul>	<p>Thomas Feddo, Assistant Secretary for Investment Security, Department of the Treasury</p> <p>David Eisner, Assistant Secretary for Management, Department of the Treasury</p>
<p><b>Fraud Prevention.</b> Reduce the amount of unprotected identity theft tax refunds paid by 2 percent by December 31, 2019 (based on data reporting lag), and by an additional 1 percent annually through December 31, 2021.</p>	<p>Charles P. Rettig, Commissioner, Internal Revenue Service (IRS)</p>
<p><b>Paper Check Reduction.</b> Create a modern, seamless, and cost-effective Federal payment experience for Americans by:</p> <ul style="list-style-type: none"> <li>• Reducing the number of paper checks printed by Treasury’s Bureau of the Fiscal Service to 49 million by the end of FY 2021, compared with 54 million in FY 2019; and</li> <li>• Achieving an electronic payment rate of 96.1 percent by the end of FY 2021, compared with 95.6 percent in FY 2019.</li> </ul>	<p>Timothy Gribben, Commissioner, Bureau of the Fiscal Service</p>

# ENTERPRISE RISK MANAGEMENT

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## 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 effectively implement a robust process of risk management and internal control and for developing an enterprise-wide risk profile. Successful implementation requires us to establish and foster an open, transparent culture that encourages people to communicate information about potential risks and other concerns.

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

Beyond its work at Treasury, ORM leads an interagency ERM community of practice including officials from approximately 40 federal agencies. This group grew from ORM's efforts to support agencies in their implementation of ERM, including the July 2016 publication of the *Playbook: Enterprise Risk Management (ERM) for the U.S. Federal Government*. This government-wide working group meets on a bi-monthly basis to discuss common risks and various methods of implementing the guidelines of the Circular.

## ENTERPRISE RISKS AND CHALLENGES

Through the FY 2019 SOAR and enterprise risk management process, we identified the following cross-cutting operational risks.

**Evolving Cyber Climate:** Treasury, the U.S. government, and the whole financial sector face growing complexity of technology, increasing sophistication of adversaries, and techniques.

**Aging IT Infrastructure, Data Sharing and Analytics Capabilities:** Aging infrastructure and technical debt, a risk shared across the U.S. government, can impede analytics capabilities, program innovation, and improved delivery of products and services.

**Procurement, Acquisition, and Vendors:** Supply chain vulnerabilities and insufficient acquisition planning increase operational risk.

**Workforce Management:** Ongoing government-wide challenges in recruiting and retaining qualified candidates presents mission risks, and exacerbates the long-standing risk of knowledge and skills gaps as a greater proportion of Treasury's workforce becomes eligible to retire.

**Balancing Mission Objectives and Resource Constraints:** Treasury is at the forefront of several new initiatives to improve our economy and keep it on a stable footing. Due to uncertain funding amounts and timing, there is a risk that we will not be as agile as we should be in balancing new innovations or initiatives with existing requirements or projects.



## ADDITIONAL INFORMATION

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### HUMAN CAPITAL PLAN IMPLEMENTATION

In FY 2020, Treasury's Human Capital Community will continue its efforts towards a competency-based management approach. In alignment with these efforts, below are some of the strategies that are the focus for FY 2020:

- Continued implementation of the Integrated Talent Management System (DASHR-CHCO)
- Expand and integrate technology to increase human capital management capability, enhance services, streamline processes and increase operational efficiency
- Improve the Human Resources customer experience in a manner that results in higher degrees of customer satisfaction (DASHR-CHCO)
- Validate updated HR governance approach and expand coverage to include subsidiary bodies, resulting in greater focus on high-value human capital issues by HR practitioners, HR Officers, and Department Leadership (DASHR-CHCO)
- Make improvements to Treasury's Human Capital Evaluation System resulting in a higher level of maturity as assessed by the Office of Personnel Management (DASHR-CHCO)
- Develop and implement effective workforce planning processes (TTB)
- Pilot competency model in the Integrated Talent Management (ITM) System (BEP)
- Deliver an Enterprise Workforce Plan (IRS)
- Continue to strengthen the EEO/Diversity & Inclusion Programs across the service (IRS)
- Strengthen Employee Engagement with support from the FEVS Engagement Advisory Committee (FEAC) (Mint)
- Improve Workforce Planning efforts/data driven hiring decisions through workload/capacity measurement (BFS)
- Utilize attrition and retention data to drive employee engagement efforts (FinCEN)

### AWARDS SPEND PLANS

In July 2019, the Treasury Office of the DASHR-CHCO issued a memorandum to Treasury bureaus regarding their awards spending plans to ensure that those plans set forth a comprehensive strategy to develop and foster a culture of recognition, including formal and informal recognition. The memo also indicated that bureaus must establish meaningful distinctions in performance and provide greater rewards to employees who have demonstrated the highest-levels of performance and achievement. Allocation of award funds should strike a strategic balance between rating-based awards and individual contribution awards (e.g., special act awards, on-the-spot awards) and should focus on rewarding excellence, especially in mission-critical occupations, hard-to-fill positions, and other key positions requiring critical skills set. In doing so, bureaus should honor all collective bargaining obligations and agreements consistent with law and regulation. In the past, most awards were tied to rating-based performance. Treasury will continue to monitor the balance between rating-based awards and individual contribution awards; additionally we will work to determine the effectiveness of the awards and recognition programs.

## SUMMARY OF MANAGEMENT AND PERFORMANCE CHALLENGES

OIG and TIGTA have identified the most significant management and performance challenges facing the Department, in accordance with the Reports Consolidation Act of 2000. These challenges do not necessarily indicate deficiencies in performance; some represent inherent risks that require continuous monitoring. Refer to Section C of *Part 3, Other Information*, in the FY 2019 Treasury Agency Financial Report (AFR) for a detailed discussion of these challenges, including our progress toward addressing them.<sup>2</sup> GAO releases a government-wide high-risk list every two years. Treasury has shared responsibility for one risk area and lead responsibility in another.

### OIG – IDENTIFIED MANAGEMENT CHALLENGES

- Operating in an Uncertain Environment;
- Cyber Threats;
- Anti-Money Laundering/Terrorist Financing and Bank Secrecy Act Enforcement;
- Efforts to Promote Spending Transparency and to Prevent and Detect Improper Payments; and
- Information Technology Acquisition and Project Management.

### TIGTA – Identified Management Challenges

- Security Over Taxpayer Data and Protection of IRS Resources;
- Implementing Tax Law Changes;
- Addressing Emerging Threats to Tax Administration;
- Supporting an Enhanced Taxpayer Experience;
- Modernizing IRS Operations;
- Improving Tax Reporting and Payment Compliance;
- Reducing Fraudulent Claims and Improper Payments;
- Impact of Global Economics;
- Protecting Taxpayer Rights; and
- Achieving Operational Efficiencies

### GAO – Identified High-Risk Areas

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

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

The Good Accounting Obligation in Government Act (the Act) requires each Federal agency to include, in its annual budget justification, a report that identifies each public recommendation issued by the Government Accountability Office (GAO) and the agency's inspectors 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

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<sup>2</sup> The FY 2019 AFR is available at <https://home.treasury.gov/system/files/236/Treasury-FY-2019-AFR-Final-111519-508-FINALrevised.pdf>. The response letters are on pages 187-195.

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 their PCAs completed, this report indicates their status as "*Implemented. Pending auditor validation.*" For recommendations with which Treasury disagreed or did not implement due to budgetary constraints or other factors, this report indicates their status as either "*Rejected*" or "*On Hold*," respectively. For recommendations where Treasury did not formally respond or take action, this report indicates "*No Action Taken.*"

The Act also requires a reconciliation between the agency records of unimplemented recommendations and each IGs' Semiannual Report to Congress (SAR). Treasury IGs use the same system (Treasury's Joint Audit Management Enterprise System (JAMES)) for the reporting of unimplemented recommendations in the SAR. In addition, Treasury IGs have direct access to JAMES and regularly review and validate 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 reporting criteria differences.

The information used to create this report is based on JAMES and GAO's recommendations database available on [www.gao.gov](http://www.gao.gov).

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

This report includes GAO, OIG, and TIGTA recommendations issued between 2/1/2012 and 1/31/2019 (7 years per Treasury's record retention policy) that remained unimplemented for one year or more from the planned fiscal year 2021 budget justification submission date.

The report has five parts:

Appendix 1: A report listing GAO recommendations and their implementation status.

Appendix 2: A report listing OIG recommendations and their implementation status.

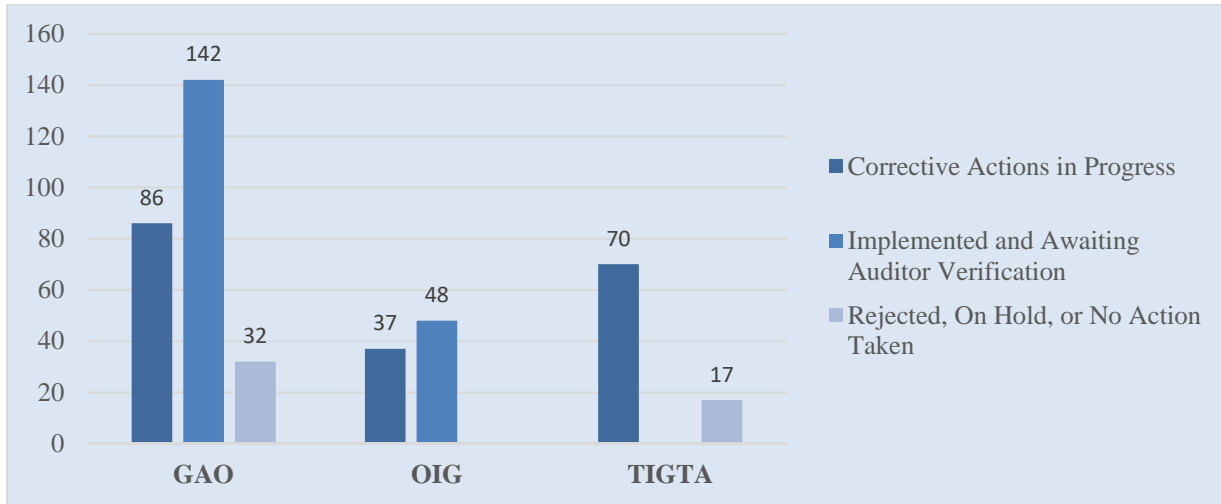
Appendix 3: A report listing TIGTA recommendations and their implementation status.

Appendix 4: A reconciliation of this report and the IGs' SARs.

Appendix A: A listing of acronyms used throughout this report.

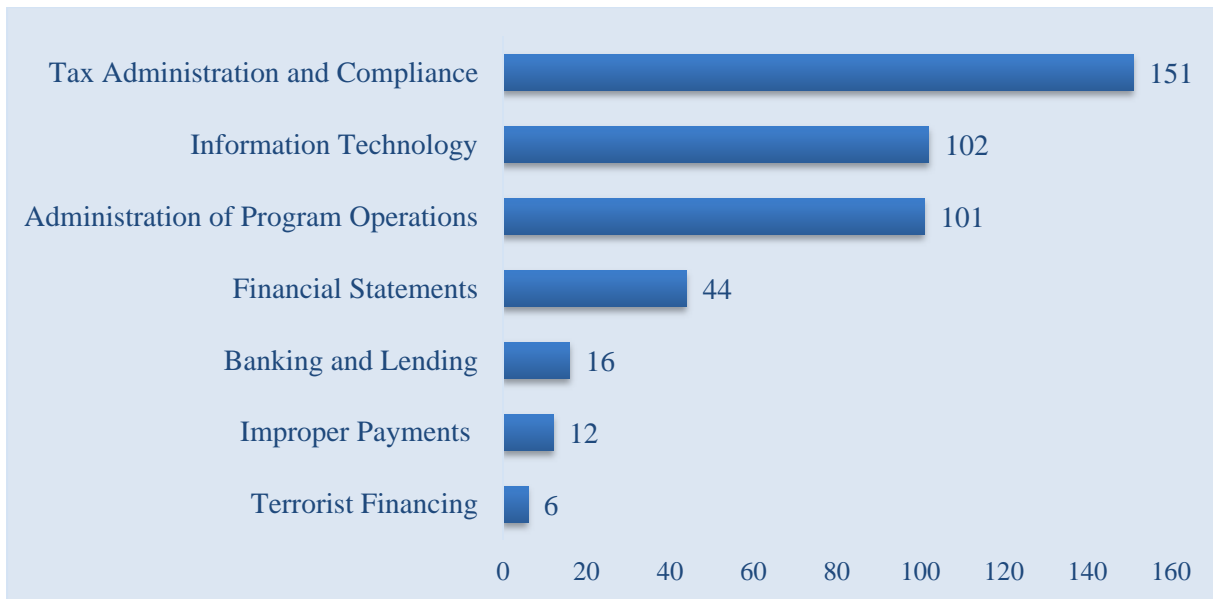
### Status of Unimplemented Recommendations

Out of a total of 432 unimplemented recommendations, 190 have been implemented and are awaiting auditor verification, 193 have corrective actions in progress, and 49 are in “rejected,” “on hold,” or “no actions taken” status.



### Unimplemented Recommendations By Audit Area

Out of a total of 432 unimplemented recommendations, the top three audit areas of Tax Administration and Compliance, Information Technology, and Administration of Program Operations account for 82% of all unimplemented recommendations.



Please see <https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/budget-request-annual-performance-plan-and-reports> for more information.

## **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 in order to support information quality, access, and use. The Evidence Act challenges agencies to rethink how they are currently using and organizing evidence. An evidence-building activity section (section D) is provided in the subsequent Treasury budget account chapters. This evidence-building section provides an overview of the data and evidence necessary to make critical decisions about program operations, policy, and regulations, and provides visibility into the impact of resource allocation on achieving program objectives.

## **IDEA ACT**

As required by section 3(b)(2) of Public Law 115-336, 132 Stat. 5025-5028, the 21<sup>st</sup> Century Integrated Digital Experience Act (21<sup>st</sup> Century IDEA or the Act), Treasury will provide a report to Congress on modernizing agency websites and digital services. This report will include a list of key websites and digital services operated by the Department of the Treasury that have been prioritized and targeted for modernization, including a list of the websites and digital services maintained by Treasury that are most viewed or utilized by the public, or are otherwise important for public engagement; a prioritization of the websites and digital services listed that require modernization to meet the Act requirements; and an estimation of the cost and schedule for modernizing the websites and digital services as prioritized. Please see <https://home.treasury.gov/system/files/291/Treasury-Website-And-Modernization-Report-Dec2019.pdf> for more information.

## **MACHINE READABLE SUMMARY TABLES**

Treasury has developed, for online posting, machine-readable files of the budget summary tables in the executive summary chapter of the FY 2021 Congressional Justification. Please see <https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/budget-requestannual-performance-plan-and-reports> for more information.

## **IT WORKING CAPITAL FUND (WCF)**

Treasury is proposing to include new transfer authority to the Department-wide Systems and Capital Investments Program (DSCIP) to leverage existing funding and introduce further flexibility that will allow Treasury to continuously modernize information technology infrastructure across the Department. These changes will allow for Treasury bureaus to invest in IT projects that advance their mission and align to Departmental Chief Information Office priorities. Treasury is also proposing to change the name of this account to the Department for the Treasury Capital Investments and Modernization Fund (TCIMF). For additional information on this proposal see the TCIMF chapter of the Treasury request.