

Departmental Offices

Program Summary by Budget Activity

Dollars in thousands

Appropriation	FY 2011	FY 2012	FY 2013	FY 2012 TO FY 2013	
	Enacted	Enacted	Request	\$ Change	% Change
Executive Direction	\$36,477	\$37,219	\$36,698	(\$521)	-1.40%
International Affairs and Economic Policy	\$61,786	\$59,277	\$55,880	(\$3,397)	-5.73%
Domestic Finance and Tax Policy	\$65,909	\$71,451	\$70,498	(\$953)	-1.33%
Terrorism and Financial Intelligence	\$99,800	\$100,000	\$100,000	\$0	0.00%
Treasury-wide Management and Programs	\$42,416	\$40,441	\$38,140	(\$2,301)	-5.69%
Subtotal, Departmental Offices - S & E	\$306,388	\$308,388	\$301,216	(\$7,172)	-2.33%
Offsetting Collections - Reimbursables	\$91,498	\$69,502	\$69,502	\$0	0.00%
Total Program Operating Level	\$397,886	\$377,890	\$370,718	(\$7,172)	-1.90%
Direct FTE	1,286	1,199	1,187	(12)	-1.00%
Reimbursable FTE	137	172	172	0	0.00%
Total FTE	1,423	1,371	1,359	(12)	-0.88%

Summary

Departmental Offices (DO), as the headquarters bureau for the Department of the Treasury, provides leadership in economic and financial policy, terrorism and financial intelligence, financial crimes, and general management. The Secretary of the Treasury has the primary role of formulating and managing the domestic and international tax and financial policies of the federal government. Through effective management, policies, and leadership, the Treasury Department protects our national security through targeted financial actions, promotes the stability of the nation's financial markets, and ensures the government's ability to collect revenue and fund its operations.

The FY 2013 budget request supports DO's leading role in accomplishing the Treasury strategic goals:

- *Repair and Reform the Financial System and Accelerate Recovery in the Housing Market.*

- *Enhance U.S. Competitiveness and Promote International Financial Stability and Balanced Growth.*
- *Pursue Comprehensive Tax and Fiscal Reform.*
- *Protect our National Security through Targeted Financial Actions.*
- *Manage the Government's Finances in a Fiscally Responsible Manner.*

DO also provides critical support and leadership to implement the Department's priority goals: *Increase Electronic Transactions with the Public to Improve Service and Prevent Fraud and Reduce Costs* as well as *Increase Voluntary Tax Compliance.*

Total resources requested to support DO activities for FY 2013 are \$370,718,000 including \$301,216,000 from direct appropriations and \$69,502,000 from offsetting collections and reimbursable programs.

DO FY 2013 Budget Highlights

Dollars in thousands

Departmental Offices - S & E	FTE	Amount
FY 2012 Enacted	1,199	\$308,388
Changes to Base:		
Maintaining Current Levels (MCLs):		
Maintaining Current Levels	-	\$3,205
Non-Recurring Costs:		
One-time Office moves and Building Maintenance	-	(\$1,650)
Efficiency Savings:	(9)	(\$6,610)
Treasury-wide Management Savings	(5)	(\$1,374)
Administrative and Management Savings	(4)	(\$5,236)
Subtotal FY 2013 Changes to Base	(9)	(\$5,055)
Total FY 2013 Base	1,190	\$303,333
Program Changes:		
Program Decreases:		
International Affairs Program Reductions	(5)	(\$2,117)
Program Increases:		
Treasury Attaché Program	2	\$0
Total FY 2013 Request	1,187	\$301,216

FY 2013 Budget Adjustments

FY 2012 Enacted

The FY 2012 enacted direct appropriation for DO is \$308,388,000.

Maintaining Current Levels (MCLs)

Maintaining Current Levels +\$3,205,000 / +0 FTE

Funds are requested for inflation adjustments (1.7 percent) in non-labor expenses such as GSA rent adjustments, postage, supplies and equipment, health benefits, and the increase in Federal Employees Retirement System participation. Funds are also requested for the proposed 2013 pay raise (0.5 percent).

Non-Recurring Costs

One-time Office moves and Building Maintenance -\$1,650,000 / +0 FTE

One-time FY 2012 funding supported repairs of the electrical transformer vaults and the reallocation and reconfiguration of office space in support of DO's leased office space reduction.

Efficiency Savings

Treasury-wide Management Savings

-\$1,374,000 / -5 FTE

Savings will be achieved through the elimination of positions and the reduction of management program activities. These include eliminating the following positions: one position from the Office of the Deputy Assistant Secretary for Management and Budget; one position from the Office of the Deputy Assistant Secretary for Human Resources; and three positions from the Office of the Deputy Chief Financial Officer. In addition, the following offices will reduce their non-salary program budgets: the Office of Emergency Programs, the Treasury Operations Center, the Deputy Assistant Secretary for Management and Budget, and the Chief Information Officer.

Administrative and Management Savings

-\$5,236,000 / -4 FTE

Savings will be achieved through the elimination of positions and the more efficient use of administrative activities. These include eliminating the following positions: one position from the Office of Human Resources (OHR), one position from the Office of Financial Management (OFM), and two positions for the Departmental Offices Operations organization (OPS). The DO Office of Information Technology will make reductions in the following areas of its administrative support budget - DO Applications support; laptop purchases; subscriptions; e-catalog purchases; additional purchase of Microsoft Visio and Project software; and Developer workstations. In addition, DO IT will reduce the staffing level under its contract supporting the Help Desk by six positions. The following offices will reduce their non-salary administrative budgets: OHR, OFM, Operations, and the DO Privacy Office. DO will also reduce the cost of utilities by converting the Treasury building from steam to gas heat.

Program Decreases

International Affairs Program Reductions
-\$2,117,000 / -5 FTE

The Office of International Affairs (IA) will achieve savings by streamlining IA business operations and seeking reduced reporting requirements associated with reviewing and evaluating Multilateral Development Bank loans.

Program Increases

Treasury Attaché Program +\$0 / +2 FTE

The Department requests an increase of two FTE for the Treasury attaché program. Tentative locations for these two additional attachés are Mexico City and Cairo. The funding for the positions and ancillary support are being funded within the program. Beginning in FY 2013, costs for the Treasury attaché program will be aligned between the Office of International Affairs and the Office of Terrorism and Financial Intelligence based on their respective overseas presence.

Explanation of Budget Activities

Executive Direction (\$36,698,000 from direct appropriations, \$3,587,000 from reimbursable resources)

Provides direction and policy guidance to the Department, and interacts with Congress and the public on Departmental policy matters.

International Affairs and Economic Policy (\$55,880,000 from direct appropriations, \$1,317,000 from reimbursable resources)

Monitors domestic and international economic conditions and collects and analyzes financial data.

Domestic Finance and Tax Policy (\$70,498,000 from direct appropriations, \$31,415,000 from reimbursable resources)

Monitors and provides economic and financial policy expertise in the areas of domestic finance and tax policy.

Terrorism and Financial Intelligence (\$100,000,000 from direct appropriations, \$18,873,000 from reimbursable resources)

Develops and implements strategies to counter terrorist financing and money laundering.

Treasury-wide Management and Programs (\$38,140,000 from direct appropriations, \$14,310,000 from reimbursable resources)

Provides strategic plans, and policy direction in the fields of human resources, information technology security, and financial administration that include the formulation and management of the budget.

Legislative Proposals

Proposed section 115 refers to funds appropriated or otherwise made available to the Secretary of the Treasury, the Secretary of Homeland Security, and the Attorney General for refunds of taxes and related interest on such refunds, drawbacks, and payments of claims for prior fiscal years. This provision will alleviate the need for the Internal Revenue Service to make such refunds, drawbacks and payments on behalf of the other federal agencies, and will minimize the administrative and accounting burdens associated with this process. This proposal will not create any new spending.

DO Performance by Budget Activity

Budget Activity	Performance Measure	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
International Affairs and Economic Policy	Monitor Quality and Enhance Effectiveness of International Monetary Fund (IMF) Lending Through Review of IMF Country Programs	N/A	97.0	100.0	100.0	100.0
Domestic Finance and Tax Policy	Variance between estimated and actual receipts (annual forecast)(%)	5.5	5.8	4.4	5.0	4.5
Terrorism and Financial Intelligence	Impact of TFI programs and activities	7.81	7.4	7.6	7.8	8
Treasury-wide Management and Programs	Percentage of timely completed Planned Corrective Actions (PCAs)	85.6	88.4	92.0	90.0	90.0

Key: DISC - Discontinued and B - Baseline

Description of Performance

The following four performance measures provide a snapshot of the FY 2012 DO performance plan.

Monitor Quality and Enhance Effectiveness of International Monetary Fund (IMF) Lending Through Review of IMF Country Programs.

This measure tracks efforts by International Affairs (IA) staff to monitor the quality of IMF country programs and ensure the application of appropriately high standards for the use of IMF resources. IA staff endeavor to complete a review of each country program and provide a synopsis, analysis, and recommendation for action prior to the date of the IMF Executive Board meeting. This measure tracks the percentage of staff reviews completed in a timely manner. IA fully succeeded in meeting its performance target in FY 2011 (100 percent of IA staff reviews completed prior to the IMF Board meeting) compared with actual performance of 97 percent in FY 2010. In FY 2012 and FY 2013, IA's target for this measure is 100 percent. IA staff will continue to closely monitor IMF program activities and will verify progress toward meeting the FY 2012 target in regular staff meetings.

Variance between Estimated and Actual Receipts.

Each of these performance goals are tied to the overall performance measure and determine the overall score for TFI as a whole. In FY 2011, TFI exceeded its target of 7.4, achieving a composite score of 8.3. TFI attributes this significant performance result to improved customer satisfaction among law enforcement agencies and intelligence users and increased policy interest in financial actions to address national security threats. TFI adjusted its targets upwards to 7.8 and 8.0 in FY 2012 and FY 2013, respectively. TFI will achieve future performance level goals by continuing customer outreach, increasing production of intelligence products, and implementing IT modernization projects.

Impact of TFI Programs and Activities.

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Percentage of timely completed Planned Corrective Actions. This measures the percentage of planned corrective actions completed by the bureaus/offices within Treasury. The Departmental Offices and Treasury overall achieved scores of 97.2 percent and 92 percent respectively, exceeding the Treasury-wide FY 2011 target of 90 percent.

