



DEPARTMENT OF THE TREASURY

FY 2014-2017

STRATEGIC PLAN



MESSAGE FROM THE SECRETARY

When President Obama was sworn into office five years ago, the United States was in the grip of one of the worst economic recessions in our history. At that time, the financial system was in crisis, the auto-industry was in a free fall, and home foreclosures were mounting. In response, the President and his Administration moved with speed and force to put out the financial fires, reignite economic growth, and lay the foundation for long-term economic prosperity.

Today, thanks in large part to the hard work of the Department of the Treasury in helping to shape and implement the President's economic policies, we face a very different outlook than we did five years ago. Our economy has grown steadily, our businesses have created more than eight million jobs since 2011, and our deficits have been cut in half. Yet, we still have more work to do to help speed up growth and create more jobs.

In the months and years ahead, Treasury will continue to focus on accelerating economic growth here and abroad, protecting our financial system from systemic and national security threats, and improving our fiscal sustainability while responsibly managing the nation's finances.

To accomplish these goals, Treasury has crafted a comprehensive set of policy and management priorities that will make the Department more effective and efficient while supporting and developing the skills and talents of Treasury's dedicated workforce. Further progress by Congress to build on its recent success in passing bipartisan appropriations legislation will help provide the foundation for Treasury to achieve these aims and will help us bring about sustainable long-term growth through strategic investment of the government's resources.

The priorities outlined in the following document will remain central to the Administration's efforts to secure our economic future now and for the long term. I am pleased to submit the Strategic Plan of the Department of the Treasury for Fiscal Years 2014-2017.

Sincerely,



Jacob Lew
Secretary of the Treasury



DEPARTMENT OF THE TREASURY STRATEGIC PLAN FY 2014-2017

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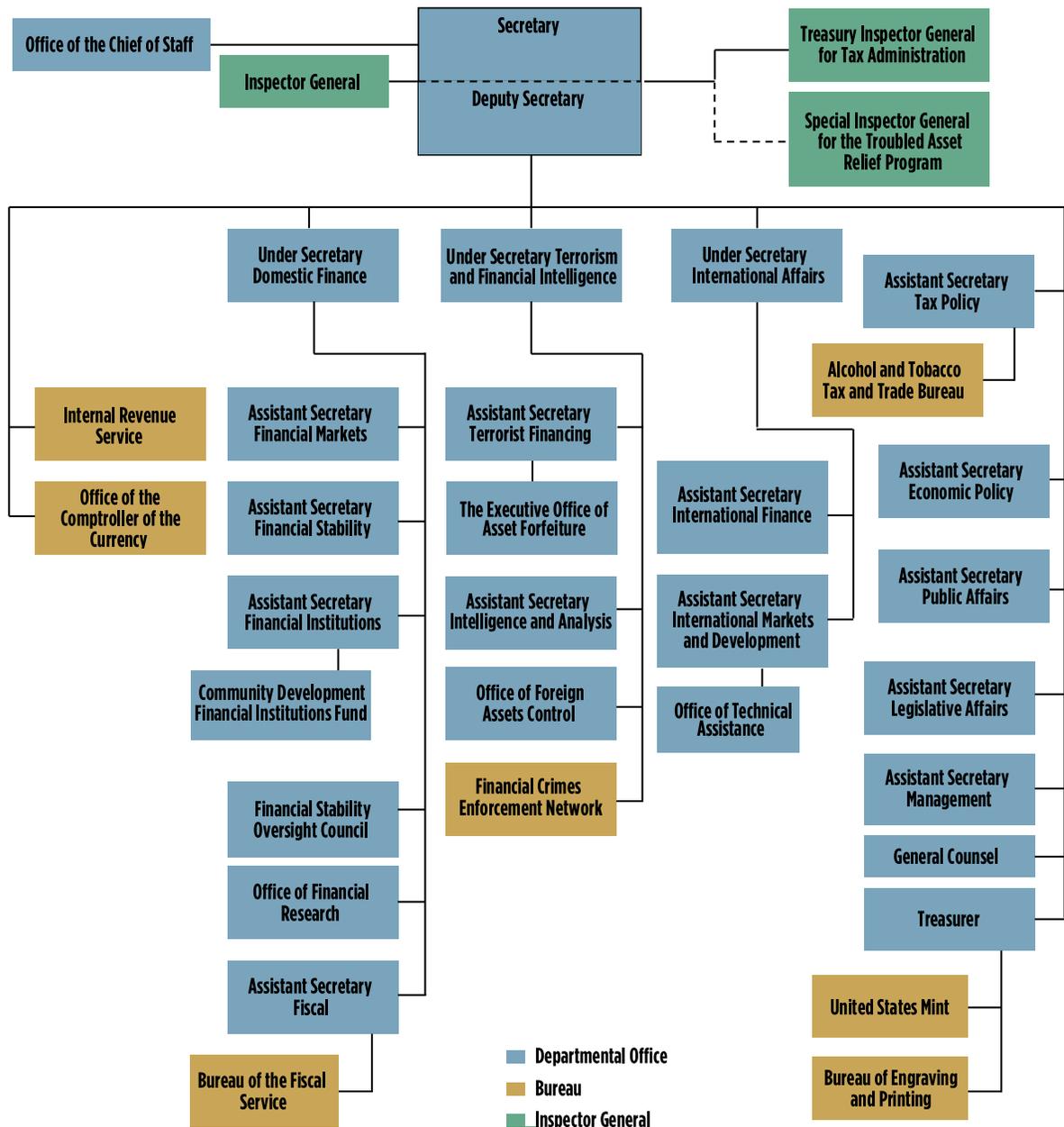
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DEPARTMENT OF THE TREASURY STRATEGIC PLAN FY 2014-2017

THE DEPARTMENT OF THE TREASURY AT-A-GLANCE

Throughout its rich history, Treasury’s core mission has not changed. With more than 100,000 employees in its ranks, Treasury is still the steward of the U.S. economy – taking in revenue, paying bills, and, when appropriate, borrowing and investing public funds. In more recent years, Treasury’s role has expanded to being a leader in safeguarding and growing the nation’s economy.

Treasury is organized into the Departmental Offices, seven operating bureaus, and three inspectors general. The Departmental Offices are primarily responsible for policy formulation, while the bureaus are primarily the operating units of the organization.



Departmental Offices

Domestic Finance works to preserve confidence in the U.S. Treasury market, effectively manage federal fiscal operations, strengthen financial institutions and markets, promote access to credit, and improve financial access and education in service of America's long-term economic strength and stability.

International Affairs protects and supports U.S. economic prosperity and national security by working to help ensure the most favorable external environment for sustained jobs and economic growth in the United States.

Terrorism and Financial Intelligence marshals the Department's intelligence and enforcement functions with the twin aims of safeguarding the financial system against illicit use and combating rogue nations, terrorist facilitators, weapons of mass destruction (WMD) proliferators, money launderers, drug kingpins, and other national security threats.

Economic Policy reports on current and prospective economic developments and assists in the determination of appropriate economic policies. The office is responsible for the review and analysis of domestic economic issues and developments in the financial markets.

Tax Policy develops and implements tax policies and programs, reviews regulations and rulings to administer the Internal Revenue Code, negotiates tax treaties, and provides economic and legal policy analysis for domestic and international tax policy decisions. Tax Policy also provides revenue estimates for the President's Budget.

The Treasurer of the United States chairs the Advanced Counterfeit Deterrence Steering Committee and is a key liaison with the Federal Reserve. In addition, the Treasurer serves as a senior advisor to the Secretary in the areas of community development and public engagement.

Other Offices

Internally, the Departmental Offices are responsible for overall management of Treasury. The Office of Management and the Chief Financial Officer are responsible for managing the Department's financial resources and overseeing Treasury-wide programs, including human capital, information technology, acquisition, and diversity issues.

Other offices include General Counsel, Legislative Affairs, and Public Affairs. Three inspectors general – the Office of the 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 the Department of the Treasury and its programs.



Bureaus

The Alcohol and Tobacco Tax and Trade Bureau (TTB) collects federal excise taxes on alcohol, tobacco, firearms, and ammunition and is responsible for 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 that are trusted worldwide.

The Financial Crimes Enforcement Network (FinCEN) safeguards the financial system from illicit use and combats money laundering and 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) – previously the Financial Management Service and the Bureau of the Public Debt – provides central payment services to federal program agencies, operates the U.S. government’s collections and deposit systems, provides government-wide accounting and reporting services, and manages the collection of delinquent debt owed to the U.S. government. In addition, the Fiscal Service borrows the money needed to operate the U.S. government through the sale of marketable, savings, and special-purpose U.S. Treasury securities, and accounts for and services the public debt.

The Internal Revenue Service (IRS) is the largest of the Department’s bureaus and determines, assesses, and collects tax revenue in the United States.

The United States Mint (U.S. Mint) designs, mints, and issues U.S. circulating and bullion coins; prepares and distributes numismatic coins and other items; and strikes Congressional Gold Medals and other medals of national significance. The Mint maintains physical custody and protection of most of the nation’s gold and all of its silver assets.

The Office of the Comptroller of the Currency (OCC) charters, regulates, and supervises national banks and federal savings associations to ensure a safe, sound, and competitive banking system that supports the citizens, communities, and economy of the United States. The OCC also supervises federal branches and agencies of foreign banks. Effective July 21, 2011, Title III of the Dodd-Frank Wall Street Reform and Consumer Protection Act transferred to the OCC responsibility for the supervision of federal savings associations (thrifts) and rule-making authority for all savings associations.

MISSION

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.

FY 2014-2017 STRATEGIC GOAL OVERVIEW

For the next four years, all Treasury in both the bureaus and policy offices, will align to and concentrate their efforts toward five primary strategic goals. These five goals represent the major areas in which Treasury will move toward a more secure and prosperous future for the American people. In the broadest terms, these areas concern the domestic economy, the international economy, managing the nation's finances, safeguarding and protecting the financial system, and instilling a culture of organizational excellence across Treasury.

The goals, objectives, strategies, and supporting information in this plan are ambitious, setting forth Treasury's intentions through Fiscal Year 2017.

Treasury plans to use a suite of performance measures and indicators to evaluate progress toward each strategic objective that supports these five goals. Performance measures will be monitored and updated as objectives and programs evolve. In addition to using regularly reported performance data, we plan to conduct in-depth evaluations of programs as well as analysis of more qualitative information to help better understand the success and impact of program strategies and actions.



SETTING THE STAGE: EXTERNAL FACTORS AFFECTING TREASURY'S STRATEGIC OUTLOOK

Five years after the financial crisis, which resulted in trillions of dollars in lost household wealth and millions of jobs lost, the U.S. economy has returned to a position of stability and growth. While the outlook is much brighter than could have been imagined in the depths of the crisis, many challenges remain. In planning Treasury's strategic direction for the next four years, we considered the potential impacts of factors outside of our control and how these factors might affect our ability to accomplish this plan.

Market Uncertainty

Treasury, in conjunction with other agencies, has made great progress in implementing the financial regulatory reforms enacted in response to the financial crisis of 2008. These reforms aim to reduce the likelihood of similar crises in the future. However, reforms can never guarantee safety, especially in this rapidly globalizing world where a crisis in one country can have a domino effect on the financial stability of many others. Consequently, we must remain vigilant against future threats to the financial system and quickly react to warning signs to minimize damage.

Pace of Technological Change

The pace of technological change impacts everything from the operation of financial markets (e.g., high frequency trading), to the disruption and rapid evolution of key industries, to the very way in which we conceive of currency. We must keep pace with technological changes in order to preserve the safety and fairness of the U.S. economy.

Increasing Sophistication of Criminals and other Bad Actors

There will always be individuals and organizations who are motivated to actively defy U.S. and international laws, and who attempt to exploit the nation's financial industry. Each year, criminals and bad actors deploy increasingly sophisticated methods to avoid detection or disrupt financial systems. We must be constantly vigilant and seek to anticipate these new methods or strategies to stay ahead of the next threat to financial stability and national security.

Budget Constraints

Since 2010, the federal government has operated under multiple continuing resolutions instead of regular appropriations. Although the continuing resolutions allow for agencies to continue operating, they do so in a more restricted manner than under regular appropriations. Additionally, sequestration, which went into effect in 2013, reduces resources and creates management challenges for Treasury in achieving its goals. As strides are being made by Congress to address this situation, such as the bipartisan spending bill, Treasury will build on this progress by using its limited resources wisely and thoughtfully.



Goal 1: Promote domestic economic growth and stability while continuing reforms of the financial system

Economic growth stimulates opportunity, mobility, and security for Americans – and allows citizens and businesses to have more confidence in the safety and soundness of the financial system. Treasury is committed to promoting these ends over the next four years.

In late 2008 and early 2009, Treasury put in place a set of emergency programs to help halt a historic financial crisis, restore confidence in the economy, and restart economic growth. In 2010, Congress passed and the President signed into law comprehensive regulatory reform to address key gaps and weaknesses in the financial system and to better protect consumers against fraud and abuse.¹ In the last four years, Treasury has led the Administration’s efforts to implement these financial reforms and bring stability back to the domestic economy.

Looking ahead to the next four years, we will continue our work promoting domestic stability in response to the financial crisis, building and strengthening domestic financial institutions and markets, and identifying emerging issues requiring our leadership. We will work to improve the health of the American workforce by promoting major initiatives that focus on job and skill creation, and growing the tax base. We also aim to stimulate domestic economic growth by facilitating commerce and promoting savings, access to credit, and affordable housing options.

External Partners:

- Financial Stability Oversight Council member agencies
- U.S. Trade Representative
- Department of Housing and Urban Development
- Department of Education

Goal 1: Strategic Objectives

Objective 1.1: Promote savings and increased access to credit and affordable housing options

Objective 1.2: Wind down emergency financial crisis response programs

Objective 1.3: Complete implementation of financial regulatory reform initiatives, continue monitoring capital markets, and address threats to stability

Objective 1.4: Facilitate commerce by providing trusted and secure U.S. currency, products, and services for use by the public

¹ The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Public Law 111-203. Available at <http://www.gpo.gov/fdsys/pkg/PLAW-111publ203>.

Strategic Objective 1.1 – Promote savings and increased access to credit and affordable housing options



Over the next four years, Treasury will work to provide tools to the American people to help them build a stable financial future and grow the nation's economy. Treasury will endeavor to enable Americans to invest in their future – whether in higher education or in hard-earned retirement. We will continue to support the Administration's efforts to lower barriers so that entrepreneurs and businesses can innovate, grow, and hire. We will also continue to bolster programs that provide Americans with the fundamental ability to secure a place to call home, whether through renting or buying. We will promote housing finance reform, which would create jobs, spur growth, and provide revenue at the local and state level, and when financed properly, enable Americans to build assets for long-term financial security.

Strategies:

- Develop a sustainable housing finance system that meets the needs of a diverse population of borrowers, including long-term reform of the mortgage finance system and the smooth wind-down of Fannie Mae and Freddie Mac
- Develop a sustainable education finance system, including preserving access to credit for students seeking a college education and strengthening access to financial education and planning tools so that students and their families can better manage their debt load
- Develop new programs to help ensure Americans are better equipped for retirement, including supporting policies and programs to encourage retirement planning and savings, such as the implementation of myRA retirement savings accounts
- Improve the access and availability of credit needed to create small businesses and jobs by identifying new and enhancing existing sources for capital and federal support for investment funds

Contributing Treasury Programs:

- Domestic Finance [Lead Office]
- Economic Policy
- Bureau of the Fiscal Service
- Community Development Financial Institutions Fund

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 1.1 include:

- Affordable housing units created, including real estate construction and rehabilitation
- Loans/investments originated by Community Development Financial Institutions (CDFI) Fund Financial Assistance

In addition, the CDFI Fund plans to conduct an in-depth evaluation of the extent to which the CDFI Fund's investments have benefitted and contributed to the development of underserved communities.



Departmental Offices

Approximate Full-Time Employee Equivalent (FTE): 1,900

Departmental Offices (DO) is the headquarters component of the Department of the Treasury and is comprised of several policy and management units. It provides leadership in formulating domestic and international financial policy for the U.S. government, as well as in protecting national security through targeted financial actions.

Brief descriptions of select offices follow throughout the plan. (DO) appended to office name denotes a component of the Departmental Offices.



Domestic Finance (DO)

The mission of the Office of Domestic Finance is to work to preserve confidence in the U.S. Treasury market, effectively manage federal fiscal operations, strengthen financial institutions and markets, promote access to credit, and improve financial access and education in service of America's long-term economic strength and stability.

- Operates in Washington, DC under the leadership of the Under Secretary for Domestic Finance and four assistant secretaries.
- In 1976, Secretary William Simon established the Assistant Secretary for Capital Markets and Debt Management, which eventually became the Under Secretary of Domestic Finance.

Strategic Objective 1.2 – Wind down emergency financial crisis response programs



The programs put in place under the Troubled Asset Relief Program (TARP²), along with other emergency measures put into place by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (FDIC), helped prevent the collapse of the U.S. financial system in 2008. With a stabilized national economy showing steady growth, Treasury must finish the course and wind down these emergency measures. We aim to wind down these programs in a manner that balances speed of exit with maximized taxpayer return.

Strategies:

- Execute the orderly wind down of the remaining crisis-era investments
- Maximize participation of qualified borrowers in the Hardest Hit Fund (HHF), Making Home Affordable, and Housing Finance Agency Programs³
- Preserve the institutional knowledge and history of the financial crisis response

Contributing Treasury Programs:

- Domestic Finance [Lead Office]
- Office of Financial Stability

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 1.2 include:

- Percentage of total TARP funds recovered, which measures how much money distributed during the financial crisis has been returned to the U.S. government



2 About TARP. Available at <http://www.treasury.gov/initiatives/financial-stability/about-tarp/Pages/default.aspx>.

3 TARP Housing Programs. Available at <http://www.treasury.gov/initiatives/financial-stability/TARP-Programs/housing/Pages/default.aspx>.



Strategic Objective 1.3 – Complete implementation of financial regulatory reform initiatives, continue monitoring capital markets, and address threats to stability

The Dodd-Frank Act addresses key gaps and weaknesses in the financial regulatory structure that contributed to the financial crisis. These reforms are designed to help better protect American families and businesses, level the playing field, and educate and protect consumers.

As a part of the Dodd-Frank Act, several new entities were established. Among these is the Financial Stability Oversight Council (FSOC⁴), which is chaired by the Secretary of the Treasury and brings together federal financial regulators, state regulators, and other financial experts to monitor and address threats to financial stability. The Office of Financial Research (OFR⁵) sits within Treasury and provides the FSOC with critical data and analytical support to achieve its mission. The Federal Insurance Office (FIO⁶), also within Treasury, monitors all aspects of the insurance industry, including identifying issues or gaps in the regulation of insurers that could contribute to a systemic crisis in the insurance industry or the U.S. financial system.

While Treasury has made significant progress in implementing these reform initiatives, there is still work to do in solidifying their roles and functions within the regulatory landscape to help ensure that our financial system is more transparent, better capitalized, less leveraged, and far safer.

Strategies:

- Complete the implementation of the Dodd-Frank rules
- Solidify the FSOC as a central player in the coordination and evaluation of financial regulatory policy
- Continue building the capacity of OFR to provide empirical and analytical support to the FSOC and its member agencies
- Strengthen the FIO's profile and reputation with domestic and international stakeholders, including development of strong relations with state insurance commissioners
- Monitor regulatory and market developments at the local, national, and international levels and work to mitigate potential threats to U.S. financial stability.

Contributing Treasury Programs:

- Domestic Finance [Lead Office]
- International Affairs
- Economic Policy
- Office of the Comptroller of the Currency
- Financial Stability Oversight Council and Office of Financial Research

4 Financial Stability Oversight Council. Available at <http://www.treasury.gov/initiatives/fsoc/Pages/home.aspx>.

5 Office of Financial Research. Available at <http://www.treasury.gov/initiatives/ofr/Pages/default.aspx>.

6 Federal Insurance Office. Available at <http://www.treasury.gov/initiatives/fio/Pages/default.aspx>.

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 1.3 include:

- The capitalization level of national banks and federal savings associations, which serves as an early warning sign to resolve the problems of insured depository institutions at the least possible cost to the deposit insurance fund
- The number of institutions that receive the highest evaluations on the significant factors of Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity to market risk (CAMELS)

In addition, we plan to conduct a more qualitative assessment of the impact of Dodd-Frank rules on financial markets, institutions, and the broader economy.



Economic Policy (DO)

The Office of Economic Policy provides technical analysis, economic forecasting, and policy guidance on issues relating to economic and fiscal policy. It monitors economic developments and trends in the United States and assists in the formulation of policies to stimulate economic growth and job creation. It operates in Washington, DC under the leadership of an assistant secretary.



The Office of the Comptroller of the Currency

Approximate FTE: 3,820

The mission of the Office of the Comptroller of the Currency (OCC) is to ensure that national banks and federal savings associations operate in a safe and sound manner, provide equal access to financial services, treat customers fairly, and comply with applicable laws and regulations.

- Headquartered in Washington, DC, the OCC operates more than 70 field offices, including four regional offices and one international office in London, England.
- The OCC was established as a bureau by Congress in 1863.



Strategic Objective 1.4 – Facilitate commerce by providing trusted and secure U.S. currency, products, and services for use by the public

One of Treasury’s most visible responsibilities is to reliably provide safe, secure, cost-effective, and high-quality U.S. currency notes and coins that are readily accepted by all users. In addition to currency production, Treasury also facilitates commerce by regulating alcohol and tobacco products and producers to ensure that American businesses operate in a fair, competitive marketplace and provide complete and accurate information to consumers about alcohol products. These functions facilitate seamless and stable commerce, which is a necessary condition for domestic growth and stability.

Strategies:

- Meet demand at home and abroad for U.S. currency
- Address the need for more cost-effective coinage in a way that preserves its public utility
- Create more accessible currency that can be easily identified by the blind and visually impaired
- Combat increasingly sophisticated counterfeiting with innovative currency designs and features
- Promote compliant alcohol and tobacco trade by coordinating with the Office of the U.S. Trade Representative and other federal agencies to negotiate trade agreements and respond to trade issues, and by participating in international regulatory and scientific organizations
- Ensure the integrity of alcohol products and the accuracy of label information provided to consumers
- Address the diversion of alcohol and tobacco products outside of legal distribution channels to prevent illicit actors from profiting at the expense of lawful businesses

Contributing Treasury Programs:

- Treasurer’s Office [Lead Office]
- Office of the Comptroller of the Currency
- Alcohol and Tobacco Tax and Trade Bureau
- Bureau of Engraving and Printing
- U.S. Mint



The Alcohol and Tobacco Tax and Trade Bureau

Approximate FTE: 480

The mission of the Alcohol and Tobacco Tax and Trade Bureau (TTB) is to collect taxes on alcohol, tobacco, firearms, and ammunition; protect the consumer by ensuring the integrity of alcohol products; and prevent unfair and unlawful market activity for alcohol and tobacco products.

- Headquartered in Washington, DC, TTB operates 12 field offices throughout the country.
- TTB was created in January 2003, when the Bureau of Alcohol, Tobacco, and Firearms was extensively reorganized under the provisions of the Homeland Security Act of 2002.

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 1.4 include:

- Manufacturing costs for currency, which measure how efficiently both notes and coins are produced
- Application processing time for federal permits for an alcohol or tobacco business, in which lower processing times enable new businesses to begin operating as soon as possible



In addition to using regularly reported performance data, Treasury plans to conduct more in-depth program evaluations in this area. For example, TTB has conducted a comprehensive evaluation of the federal alcohol beverage labeling regulations and guidance in order to modernize the regulations to reflect current industry practices and consumer concerns.



The U.S. Mint

Approximate FTE: 1,700

The primary mission of the United States Mint is to serve the American people by manufacturing and distributing circulating, precious metal, and collectible coins and national medals, and providing security over assets entrusted to the Mint.

- Headquartered in Washington, DC, the Mint operates five other locations throughout the country, including Philadelphia, PA, Denver, CO, West Point, NY, San Francisco, CA, and Fort Knox, KY.
- Established in 1792, the Mint is the world's largest coin manufacturer. Since FY 1996, the Mint has been authorized by Congress to operate without an appropriation under the Public Enterprise Fund (PEF).



The Bureau of Engraving and Printing

Approximate FTE: 1,890

The mission of the Bureau of Engraving & Printing (BEP) is to develop and produce U.S. currency notes that are trusted world-wide.

- Headquartered in Washington, DC, the BEP operates one other manufacturing facility in Fort Worth, TX.
- Congress first authorized the Treasury Department to print and issue notes in 1862 to finance the Civil War. The BEP became the exclusive printer of U.S. currency in 1874.



Goal 2: Enhance U.S. competitiveness and job creation, and promote international financial stability and more balanced global growth

Treasury protects and supports American economic prosperity by strengthening the external environment for U.S. growth, preventing and mitigating global financial instability, and managing key global challenges. We promote policy positions, secure commitments, and negotiate agreements to develop existing and create new export markets for U.S. businesses and workers; manage near-term risks from financial instability abroad that could undermine the U.S. economy; press for market-determined exchange rates; boost consumption-led economic growth in surplus economies around the world; and assist counterparts in emerging economies in building sound financial systems free from corruption and economic crime.

In recent years, the economic crisis in Europe, transitions in the Middle East and North Africa, natural disasters that have severely impacted local economies, and other emerging global threats have all presented challenges to the global economy. Treasury has worked to respond to these challenges with our counterparts bilaterally in foreign ministries of finance and central banks as well as multilaterally through the Group of 20 (G-20), Financial Stability Board (FSB), international financial institutions (IFIs), and other forums. With the help of these partners, we seek to open new opportunities for American businesses and workers, level the playing field for U.S. firms doing business abroad, develop sound international financial regulatory standards consistent with domestic reforms, promote economic stability in strategically important countries, and leverage U.S. leadership positions in the IFIs to advance sound economic and financial policies around the world.

External Partners:

- Department of State
- U.S. Agency for International Development
- U.S. Trade Representative
- Department of Commerce
- International financial institutions
 - International Monetary Fund
 - World Bank Group
 - African Development Bank Group
 - Asian Development Bank Group
 - European Bank for Reconstruction and Development
 - Inter-American Development Bank Group
 - International Fund for Agricultural Development
 - North American Development Bank
- Group of 20
- Financial Stability Board

Goal 2: Strategic Objectives

Objective 2.1: Promote free trade, open markets, and foreign investment opportunities

Objective 2.2: Protect global economic and financial stability and press for market-determined foreign exchange rates

Objective 2.3: Advance U.S. economic, financial, and national security goals by leveraging multilateral mechanisms

Objective 2.4: Provide technical assistance to developing countries working to improve public financial management and strengthen their financial systems

Strategic Objective 2.1 – Promote free trade, open markets, and foreign investment opportunities



Foreign investment in the U.S. economy is vital to achieving balanced economic growth and creating jobs. Treasury works with the U.S. Trade Representative and other federal agency partners to pursue a strong international trade and investment agenda that will increase U.S. exports, help the U.S. economy grow, and support job creation.

As Chair of the Committee on Foreign Investment in the United States (CFIUS⁷), we coordinate an interagency process to review certain foreign investments for potential national security concerns. Our work to help ensure a timely and efficient review process serves the dual purpose of helping to secure the United States while maintaining an open investment climate.

Strategies:

- Support negotiations of free trade agreements to level the playing field for U.S. firms doing business in key economic hubs such as the Asia-Pacific region and the European Union
- Reduce and eliminate barriers to market access for U.S. products and services by pursuing agreements like a U.S.-China Bilateral Investment Treaty and securing commitments through bilateral engagements like the U.S.-India Economic and Financial Partnership and the U.S.-China Strategic & Economic Dialogue
- Negotiate tax treaties
- Complete timely reviews of potential foreign investments for national security risks
- Cultivate new markets for U.S. exporters through multilateral development bank investments and private sector development in Africa, Asia, South America, and the Caribbean

Contributing Treasury Programs:

- International Affairs [Lead Office]
- Tax Policy
- Economic Policy

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 2.1 include:

- Timely national security reviews completed by CFIUS

7 The Committee on Foreign Investment in the United States (CFIUS). Available at <http://www.treasury.gov/resource-center/international/Pages/Committee-on-Foreign-Investment-in-US.aspx>.



Strategic Objective 2.2 – Protect global economic and financial stability and press for market-determined foreign exchange rates

Treasury maintains close dialogues with its bilateral and multilateral counterparts to monitor and respond to evolving risks in the global economic and financial systems and to promote policies conducive to domestic growth. Acting primarily through the FSB and at the G-20, Treasury encourages other countries to implement financial sector reforms consistent with the Dodd-Frank Act, to decrease the risk of regulatory arbitrage to the global financial system as well as avoid a comparatively heightened regulatory burden for U.S. firms. Treasury also works with international partners and through the International Monetary Fund (IMF) to press for market-determined exchange rates – the price at which one country’s currency can be exchanged for another’s absent intervention by a government to influence the price of its currency – to prevent destabilizing effects on economies such as competitive devaluations of currencies.

Finally, Treasury works to implement economic policies consistent with the overarching goal of strong, sustainable, and balanced global growth. Our efforts toward this overarching goal include working to rebalance global demand so that economies that have been heavily reliant on export-oriented growth generate more domestic demand-led growth, making them less dependent on the United States as an export market.

Strategies:

- Monitor and report on the international economic and exchange rate policies of the United States’ major trading partners
- Leverage the United States’ leadership position at the IMF to advance efficient and effective approaches to securing international financial stability and global monetary cooperation
- Continue to promote sound macroeconomic policies and a job creation agenda at the Group of 7 (G-7) and G-20
- Actively represent the United States on the FSB, including efforts regarding global supervisory and regulatory cooperation, implementation of financial standards, and development of cross-border resolution systems and derivatives reforms



International Affairs (DO)

The mission of the Office of International Affairs (IA) is to help ensure the most favorable external environment for sustained jobs and economic growth in the United States. To that end, IA works to promote U.S. economic and financial policy priorities such as free trade and open markets.

- Operates in Washington, DC under the leadership of the Under Secretary of International Affairs and two assistant secretaries.
- Supports Treasury financial attachés posted throughout the world.

Contributing Treasury Programs:

- International Affairs [Lead Office]

Evaluating Progress:

Examples of potential measures and indicators include:

- Completed reviews of IMF country programs quality and effectiveness
- Analysis of exchange rate policies and currency trends of major U.S. trading partners, as reported in the semi-annual reports to Congress on International Economic and Exchange Rate Policies⁸



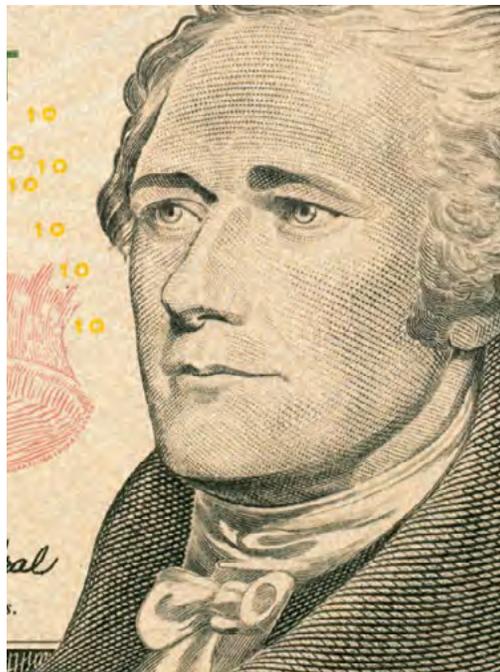
8 Semiannual Report on International Economic and Exchange Rate Policies. Available at <http://www.treasury.gov/resource-center/international/exchange-rate-policies/Pages/index.aspx>.



Strategic Objective 2.3 – Advance U.S. economic, financial, and national security goals by leveraging multilateral mechanisms

An increasingly interconnected and interdependent global economy creates new opportunities as well as new challenges. The United States can better develop these opportunities and manage these challenges when there is a diverse set of tools available to public actors. Treasury participates in a wide range of multilateral mechanisms that complement ongoing bilateral engagements. These international multilateral institutions and processes reduce the burden on individual countries like the United States by pooling the resources and knowledge of groups of like-minded nations.

Treasury is the executive agency responsible for managing the U.S. government’s interests in IFIs. We work to use our nation’s leadership role to mitigate emerging threats to the U.S. and global economies, as well as reinforce national security interests in key countries around the world. The IMF helps protect global economic and financial stability and encourage market-determined exchange rates. The multilateral development banks (MDBs) – including the World Bank, the Asian Development Bank, the African Development Bank, the European Bank of Reconstruction and Development, and the Inter-American Development Bank – aim to promote economic growth, reduce poverty, and support international trade and investment. Arrangements like the Climate Investment Funds, the Global Agriculture and Food Security Program, the Deauville Partnership with Arab Countries in Transition, the Paris Club, and the FSB provide Treasury with flexible vehicles to address emerging global challenges and assist strategically important countries. On behalf of the United States, we promote economic and financial policy solutions to the nation’s most pressing problems through the G-7 and G-20 processes.



Strategies:

- Maintain U.S. leadership in key institutions and arrangements
- Build consensus among shareholders on key IFI reforms
- Advance effective use of IMF and MDB resources through results measurements
- Support ongoing and planned MDB development efforts that reinforce U.S. objectives
- Promote private sector development solutions like public-private partnerships
- Advocate innovative financial approaches to promoting political stability and economic growth in key strategic regions, including loan guarantees and debt forgiveness



Contributing Treasury Programs:

- International Affairs [Lead Office]
- Terrorism and Financial Intelligence

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 2.3 include:

- MDB grant and loan project proposals that contain a satisfactory framework for measuring project results per Treasury review
- Assessment of major policies and operations of IFIs – including lending levels and activities in the poorest nations – through the National Advisory Council on International Monetary and Financial Policies Annual Report



Strategic Objective 2.4 – Provide technical assistance to developing countries working to improve public financial management and strengthen their financial systems

Treasury’s Office of Technical Assistance directly assists developing countries that have demonstrated strong commitments to reforming their public financial management or financial systems. Technical Assistance Advisors work directly with finance ministries and central banks in developing countries worldwide to strengthen their capacity to manage public finances through efficient revenue collection, well-planned and executed budgets, judicious debt management, fundamentally sound banking systems, and strong controls to combat corruption and economic crimes. This work encourages prosperity and stability in other parts of the world and supports broader U.S. government international objectives – such as increasing transparency and accountability, reducing corruption, and strengthening the development of market-based policies and practice – while helping to create more stable international markets for U.S. exports.



Strategies:

- Continue to focus on core technical assistance areas: revenue policy and administration; budget and financial accountability; government debt issuance and management; banking and financial services; and economic crimes
- Leverage other programmatic efforts within Treasury to develop technical assistance projects that include infrastructure finance, increased access to financial services, and better management of revenues derived from extractive industries, such as the oil and gas sectors

Contributing Treasury Programs:

- International Affairs [Lead Office]

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 2.4 include:

- How well technical assistance projects achieve the goal(s) of the project and address the country problems described
- The extent to which a technical assistance project brings about changes in behavior among the project counterparts and other country participants

Goal 3: Fairly and effectively reform and modernize federal financial management, accounting, and tax systems



Treasury is entrusted with managing the nation’s finances. This includes collecting money due to the United States, making payments owed by the United States, and financing the federal government by determining and executing a borrowing strategy that meets the federal government’s needs at the lowest cost over time. It also includes accounting for, and reporting on, the U.S. government’s finances to the American people. Sound financial management enables continual operation of essential government services and allows Treasury to meet its financial obligations while minimizing borrowing costs.

Goal 3: Strategic Objectives

Objective 3.1: Improve the efficiency and transparency of federal financial management and government-wide accounting

Objective 3.2: Improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. government

Objective 3.3: Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code

The last few years have proved challenging to the effective management and modernization of government operations. The uncertainty stemming from continuing resolutions, the across-the-board spending cuts brought on by sequestration, and potential or actual lapses in appropriations has disrupted operations and hampered performance.

However, we are resolute in pursuing progress in improving financial management, despite resource constraints and competing priorities that reduce the abilities of our federal agency partners to focus on moving to a more efficient model. In an effort to keep pace with technological advances that can help produce significant savings, we are committed to modernizing both our financial systems and accounting practices so that the U.S. has a more efficient, accountable, and transparent government.

External Partners:

- All executive agencies
- United States Congress





Strategic Objective 3.1 – Improve the efficiency and transparency of federal financial management and government-wide accounting

Treasury operates and oversees the government’s central financial accounting and reporting system. This role is critical to the proper management of the nation’s finances, as well as to ensuring public confidence in the U.S. government. In this role, Treasury collects, analyzes, and publishes government-wide financial information used by the federal government to establish fiscal and debt management policies. The public and private sectors also use this to monitor the government’s financial status, which in turn informs their business decisions.

The federal government currently operates under multiple financial systems and accounting practices, leading in some cases to challenges in communication and coordination. We have committed to working with federal agency partners over the next four years to transform government financial management through shared services, data transparency, and standardization, where practical.



Strategies:

- Implement the shared-service model for financial management across government
- Promote the use of an e-invoicing solution throughout the federal acquisition and financial management communities
- Reduce the number of different financial systems throughout the government, including systems for financial accounting, electronic invoicing, and accounts receivable processing
- Adopt uniform accounting, reporting, and data standards and systems
- Produce timely and accurate financial information that contributes to the improved quality of financial decision-making
- Provide support, guidance, and training to assist federal program agencies in improving their government-wide accounting and reporting responsibilities

Contributing Treasury Programs:

- Bureau of the Fiscal Service [Lead Office]
- Domestic Finance

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 3.1 include:

- Cost per Government Agency Investment Services (GAIS) transaction, which measures how efficiently Treasury manages specialized government investment and borrowing opportunities
- Cost per summary debt accounting transaction, which measures how efficiently Treasury accounts for the public debt

In addition, the Do Not Pay program is planning to examine how to proactively identify, mitigate, and prevent fraud, waste, and abuse in federally funded programs.



The Bureau of the Fiscal Service

Approximate FTE: 3,350

The mission of the Bureau of the Fiscal Service is to promote the financial integrity and operational efficiency of the U.S. government through exceptional accounting, financing, collections, payments, and shared services.

- Headquartered in Washington, DC, the Bureau of Fiscal Service operates five field offices throughout the country.
- Established by Treasury Order in 2012, it consolidates the Bureau of the Public Debt (BPD) and the Financial Management Service (FMS).



Strategic Objective 3.2 – Improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. government

Treasury forecasts the federal government’s fiscal needs; collects money due to the U.S., including delinquent debt and federal revenues such as taxes, duties, loan repayments, and fines; and disburses payments owed by the U.S. government, including interest payments, Social Security, and Medicare benefits. In this role, Treasury executes billions of transactions each year. The safety, security, efficiency, and reliability of Treasury transactions are paramount to maintaining public trust and improving the management of the nation’s finances.

Over the next four years, we aim to maintain exceptional daily operations for government collections, payments, debt collection, and financing as well as reduce improper payments made by the U.S. government.

Strategies:

- Provide timely, accurate, and efficient collection of federal government receipts
- Establish and implement collection policies, regulations, standards, and procedures for the federal government
- Implement initiatives to further increase the adoption of electronic transactions

Contributing Treasury Programs:

- Bureau of the Fiscal Service [Lead Office]
- Domestic Finance

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 3.2 include:

- Treasury payments and associated information made electronically
- Total dollar amount of federal government receipts collected electronically



Strategic Objective 3.3 – Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code



Treasury's largest bureau, the Internal Revenue Service (IRS), touches every American in its efforts to collect taxes fairly and effectively. TTB also has revenue collection responsibilities related exclusively to federal excise taxes on alcohol, tobacco, firearms, and ammunition. Treasury also leads the Administration's efforts to create a tax system that is simple, fair, and fiscally responsible. Treasury's Office of Tax Policy works with the White House and Congress to develop tax reform proposals to achieve this objective. We are committed to working with Congress in pursuing a tax reform plan that includes a balanced approach to deficit reduction that strengthens the U.S. government's fiscal position and promotes a simpler, more efficient tax code.

While protecting taxpayer rights and minimizing administrative burden, we are working to become a more agile and customer-oriented organization by making greater use of new technologies to facilitate voluntary tax compliance. As new laws are enacted that impact the tax code, such as the Patient Protection and Affordable Care Act (ACA) and the Foreign Account Tax Compliance Act (FATCA), we will continue to provide clear and timely guidance to taxpayers.

IRS has a renewed commitment to creating an organizational culture where internal controls are consistently reviewed for effectiveness and where emerging risks are identified, openly discussed, and swiftly addressed. In the coming years, the IRS also aims to increase outreach to and collaboration with all tax practitioners, tax preparers, and other third parties in the tax system to make it as easy as possible for them to adhere to professional standards and follow the tax code.

Strategies:

- Develop comprehensive proposals to reform and simplify the tax code
- Develop tax legislative proposals for the annual budget that advance tax code reforms
- Provide taxpayers with targeted, timely guidance and outreach
- Incorporate taxpayer perspectives to improve all service interactions
- Strengthen partnerships with tax practitioners, tax preparers, and other third parties to ensure effective tax administration
- Develop and publish guidance on tax provisions of the ACA, including tax credits, revenue provisions, and insurance market reforms
- Strengthen refund fraud prevention through advancements in automation and provide prompt assistance to support victims of identity theft
- Expand enforcement approaches and tools to meet the challenges of international tax administration

DEPARTMENT OF THE TREASURY STRATEGIC PLAN FY 2014–2017

• **Contributing Treasury Programs:**

- Internal Revenue Service [Lead Office]
- Tax Policy
- Alcohol and Tobacco Tax and Trade Bureau

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 3.3 include:

- Individual tax returns processed electronically
- Voluntary and timely compliance from taxpayers who file more than \$50,000 in tax payments annually

In addition, Treasury plans to conduct more in-depth evaluations in the area of programs supporting Strategic Objective 3.3. For example, the IRS Joint Statistical Research Program (JSRP) uses statistics of income tax data to study the effects of existing tax policies on individuals, businesses, and the economy. Also, TTB will continue to improve efficiencies and results in its tax enforcement program by improving its systems and processes related to tax verification, increasing automation in the detection, notification, assessment, and collection of excise taxes in order focus its resources on substantive tax analysis and enforcement.



The Internal Revenue Service

Approximate FTE: 87,760

The mission of the Internal Revenue Service (IRS), the largest of Treasury's bureaus, is to provide America's taxpayers top-quality service by helping them to understand and meet their tax responsibilities, as well as to enforce the law with integrity and fairness to all.

- Headquartered in Washington, DC, the IRS operates more than 600 field offices throughout the country.
- The IRS was first established by Congress in 1862 to help finance the Civil War; it was renamed from the Bureau of Internal Revenue to the Internal Revenue Service in 1953 and extensively reorganized by Congress in 1998 around a private sector model of customer service.



Tax Policy (DO)

The Office of Tax Policy's mission is to serve the American public by promoting effective and efficient tax policies and programs through guidance interpreting the Internal Revenue Code, economic and legal analysis to support fiscal policy-making, and international collaboration on important tax matters.

- Operates in Washington, DC under the leadership of an assistant secretary.
- Secretary Henry Morgenthau established the Division of Tax Research in 1938, which would eventually become the Office of Tax Analysis. In 1961, Stanley Surrey became the first Assistant Secretary (Tax Policy).

Goal 4: Safeguard the financial system and use financial measures to counter national security threats



Treasury works to protect the integrity of the financial system and advance key national security and foreign policy objectives through regulation, enforcement, financial intelligence analysis, outreach, and targeted financial measures. We carry out this work with other U.S. federal agencies, state and local governments and regulators, foreign governments, international bodies, and private financial institutions around the world.

The objectives for this goal are necessary if we are to continue to keep this nation and its people safe. We will look for opportunities to aid the President's foreign policy agenda and develop creative alternatives to military action where possible – including identifying and targeting key national security threats that can be disrupted with financial measures and targeted actions. We will employ such measures as sanctions and other financial regulations to disable threats to the U.S. and international financial systems. We are also committed to working with industry to improve the technological infrastructure required to protect against cybersecurity threats.

External Partners:

- U.S. intelligence community
- Department of Justice
- Department of State
- State and local law enforcement
- U.S. financial regulators
- Private industry

Goal 4: Strategic Objectives

Objective 4.1: Identify priority threats to the financial system using intelligence analysis and outreach to the financial sector

Objective 4.2: Develop, implement, and enforce sanctions and other targeted financial measures

Objective 4.3: Improve the cybersecurity of our nation's financial sector

Objective 4.4: Protect the integrity of the financial system by implementing, promoting, and enforcing anti-money laundering and counterterrorism financing standards



Strategic Objective 4.1 – Identify priority threats to the financial system using intelligence analysis and outreach to the financial sector

Treasury’s Office of Terrorism and Financial Intelligence (TFI) forms the vanguard of protecting the nation’s finances against illicit actors. Using intelligence from all sources, Treasury works to identify financial activity associated with actors, operations, or systems that threaten the national security or financial sector of the United States. Partnering with other parts of the government, we aim to detect, deter, and deny resources to these threats, particularly through the administration of sanctions. The sanctions programs administered by TFI’s Office of Foreign Assets Control (OFAC) seek to disrupt the financial and commercial networks of terrorists, narcotics traffickers, and proliferators of weapons of mass destruction, among others. We help degrade these networks by publicly identifying the leadership, participants, and network of illicit organizations, and denying them access to the U.S. financial system and market place.



Strategies:

- Conduct outreach to the financial community and other key industry actors to help ensure compliance with sanctions and to identify threats to the financial system
- Provide timely, accurate, and focused intelligence support to critical decision-makers and partners on the full range of economic, political, and security issues
- Implement and manage programs to effectively network, coordinate, and share financial intelligence between FinCEN and its domestic and foreign partners in government and private industry
- Develop and support effective technology systems to collect financial intelligence from private industry and share it with domestic and foreign government partners

Contributing Treasury Programs:

- Terrorism and Financial Intelligence [Lead Office]
- Financial Crimes Enforcement Network

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 4.1 include:

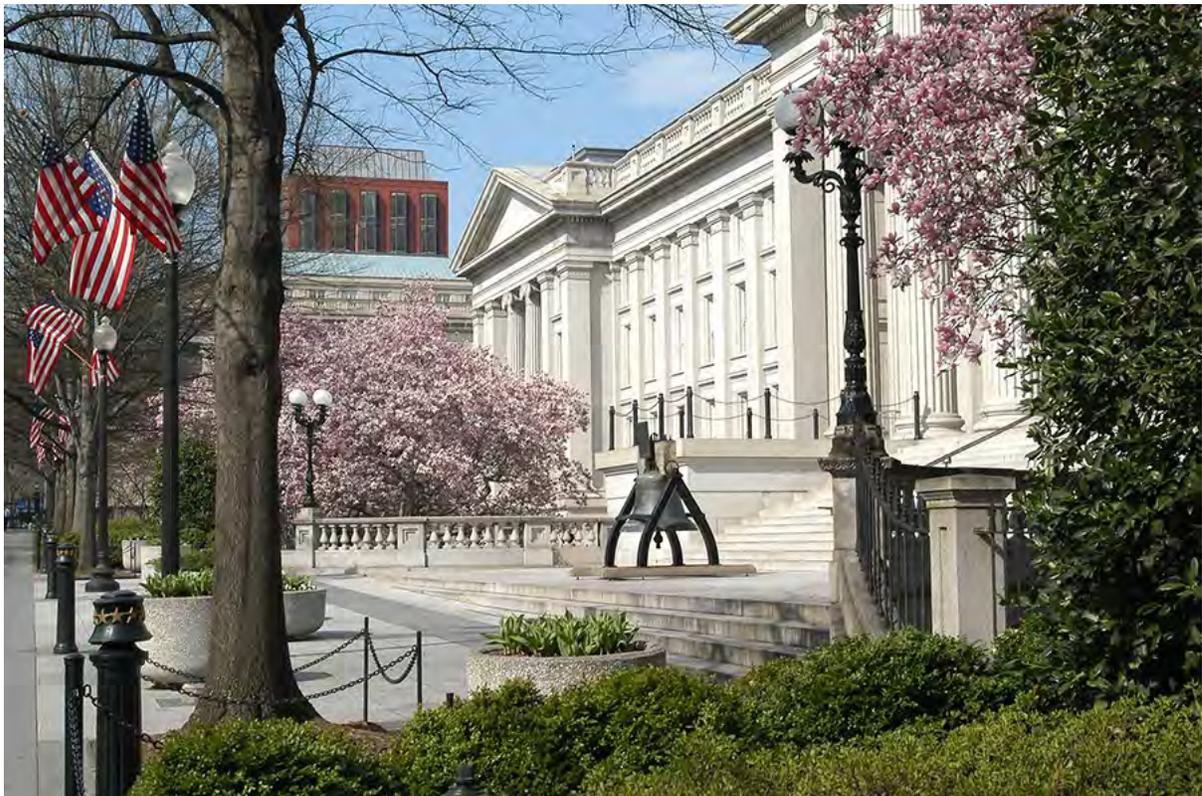
- Level of contribution of OIA and FinCEN research, analysis, and advanced analytics to the safeguarding of the financial system, combating money laundering, and countering terrorist financing
- User satisfaction with FinCEN information sharing (technology) systems



Terrorism and Financial Intelligence (DO)

The mission of the Office of Terrorism and Financial Intelligence (TFI) is to marshal the Department’s intelligence and enforcement functions with the twin aims of safeguarding the financial system against illicit use and combating rogue nations, terrorist facilitators, weapons of mass destruction (WMD) proliferators, money launderers, drug kingpins, and other national security threats.

- Operates in Washington, DC under the leadership of the Under Secretary of TFI and two assistant secretaries.
- In 2004, Congress combined preexisting and newly created units to form TFI.





Strategic Objective 4.2 – Develop, implement, and enforce sanctions and other targeted financial measures

Treasury works with other agencies to identify and limit or deny financial services to, and target the assets of, those individuals and organizations who are known to be taking actions against the United States or are aiding such people.

Treasury has the authority to employ powerful tools that can cut off the money supply and trade conduits of illicit actors and organizations. Sanctions administered by OFAC, and other targeted financial measures administered by FinCEN, have proven to be effective and successful tools. By strategically using these tools, we seek to cripple these actors' ability to do harm. The economic sanctions programs have become increasingly sophisticated as financial networks have grown and non-state actors have begun projecting their power globally. Through these sanctions, OFAC continues to greatly limit the financial

capabilities of illicit actors. Moreover, targeted financial measures such as sanctions offer U.S. policymakers affirmative foreign policy options beyond diplomatic approaches alone to handle threats to the national security or foreign policy of the United States. Treasury also seizes assets forfeited from criminal activities and administers the forfeited funds in furtherance of law enforcement and protection activities.⁹



Strategies:

- Develop targeted financial sanctions and other measures to disrupt the financial and commercial networks of terrorists, narcotics traffickers, proliferators of weapons of mass destruction, and others engaged in activities that threaten the U.S. national security, foreign policy, or economy
- Research, investigate, and designate individuals and entities pursuant to each U.S. sanction regime
- Levy civil penalties against those who violate U.S. sanctions
- Work with countries bilaterally and multilaterally to foster the political will necessary to implement international counterterrorist financing safeguards
- Share information with partner countries to facilitate their implementation of financial sanctions against targets of U.S. and international sanctions programs

⁹ Treasury Executive Office for Asset Forfeiture. Available at <http://www.treasury.gov/about/organizational-structure/offices/Pages/The-Executive-Office-for-Asset-Forfeiture.aspx>.

Contributing Treasury Programs:

- Terrorism and Financial Intelligence [Lead Office]
- Financial Crimes Enforcement Network
- Treasury Executive Office for Asset Forfeiture

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 4.2 include:

- Denying illicit actors access to the financial system or disrupting their networks using targeted financial measures
- Specially Designated Nationals List de-listings as a measure of changed behavior



The Financial Crimes Enforcement Network

Approximate FTE: 300

The mission of the Financial Crimes Enforcement Network (FinCEN) is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.

- Headquartered in Washington, DC, FinCEN operates one field office in Vienna, VA.
- FinCEN was established in 1990 by order of the Secretary of the Treasury and made an official Bureau in 2002.



Strategic Objective 4.3 – Improve the cybersecurity of our nation’s financial sector

The financial systems of the U.S. and the world are in need of greater protection from attacks on their information technology infrastructure. In an age of rapidly advancing technology, Treasury recognizes the need to collaborate with industry to develop protections that can deter attacks on the nation’s critical networks. Working with a combination of international and domestic government, non-government, and private sector partners, we will continue to improve the protection and resilience of financial sector critical infrastructure, including federal financial information and private financial infrastructure, against cyber and physical attacks.

Strategies:

- Develop and coordinate efficient processes to share and disseminate actionable threat information with the financial sector
- Strengthen public-private information-sharing programs with the financial sector
- Collaborate with financial industry partners to develop policies for government and private sector infrastructure protection requirements and standards
- Research and partner with domestic and international government and private sector cybersecurity organizations to identify advancements in technology (hardware and software), in combatting individual and organized cyber-criminals
- Track and target cyber threats to help protect the financial system from cyber-attacks
- Conduct regular interagency readiness reviews to help ensure that federal government is well-prepared to respond to physical and cyber threats to critical infrastructure
- Increase outreach to the financial sector to ensure that financial institutions acting in the cyber sphere have effective sanctions compliance practices in place

Contributing Treasury Programs:

- Domestic Finance [Lead Office]
- Terrorism and Financial Intelligence
- Office of the Comptroller of the Currency

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 4.3 include:

- Cybersecurity indicators such as threats and attacks identified and mitigated
- Numbers of outreach activities conducted with the financial sector

Strategic Objective 4.4 – Protect the integrity of the financial system by implementing, promoting, and enforcing anti-money laundering and counterterrorism financing standards



Safeguarding the financial system from illicit financial transactions takes rigorous regulation and enforcement as well as collaboration with local, state, federal, and international law enforcement.

Treasury plans to continue to engage with the domestic financial sector (including through the Bank Secrecy Act Advisory Group), and the international financial sector (including through targeted outreach to foreign financial institutions and bankers' associations), to better understand the illicit finance risks in the international financial system. TFI currently leads an interagency project to assess domestic money laundering and terrorist financing risks. Participating departments include the Department of Justice and the financial regulatory and law enforcement agencies. The project team is developing a fact-based assessment of money laundering and terrorist financing methods and the initiatives underway to interdict that activity.

Strategies:

- Adopt strong anti-money laundering and counterterrorism financing (AML/CFT) regulatory safeguards
- Implement and enforce anti-money laundering and counterterrorism financing regulatory authorities
- Promote the development and universal adoption and implementation of strong international systemic safeguards to combat money laundering, terrorist financing, and other forms of illicit finance through organizations such as the Financial Action Task Force (FATF)
- Develop, coordinate, and implement AML/CFT policies and coalition-building to counter financial aspects of national security threats

Contributing Treasury Programs:

- Terrorism and Financial Intelligence [Lead Office]
- Office of the Comptroller of the Currency
- Financial Crimes Enforcement Network

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 4.4 include:

- Compliance by covered financial institutions, as reported by anti-money laundering and counter terrorist financing supervisors
- Engagements with foreign governments on strengthening AML/CFT controls



Goal 5: Create a 21st-century approach to government by improving efficiency, effectiveness, and customer interaction

Treasury's future success, both immediate and long term, depends on sustaining and developing the resources required to achieve our operational mission. We will capitalize on 21st century advances in knowledge, techniques, and technology to manage our resources as effectively and efficiently as possible, creating the best value for all constituents.

Treasury's critical resources are finances, physical assets, technology, and, most importantly, people. We will invest in people by providing them purpose, motivation, support, and a fair and inclusive work environment in which every individual can excel. We will also take full advantage of information technology to maximize the use and sharing of data to enhance sound decision-making. We will maximize opportunities to improve our stewardship in acquiring and using goods and services. Overall, we will produce the best value for all of our customers and the American people.

Achieving these objectives will demand a concerted commitment on the part of everyone in Treasury to continuous improvement in skills, learning, processes, attitudes, and organizational culture.

External Partners:

- Office of Personnel Management
- Office of Management and Budget
- Performance Improvement Council
- National Continuity Program
- All executive agencies
- Partnership for Public Service

Goal 5: Strategic Objectives

Objective 5.1: Increase workforce engagement, performance, and diversity by instilling excellence, innovation, and inclusion in Treasury's organizational culture and business practices

Objective 5.2: Support effective, data-driven decision-making and encourage transparency through intelligent gathering, analysis, sharing, use, and dissemination of information

Objective 5.3: Promote efficient use of resources through shared services, strategic sourcing, streamlined business processes, and accountability

Objective 5.4: Create a culture of service through relentless pursuit of customer value

Strategic Objective 5.1 – Increase workforce engagement, performance, and diversity by instilling excellence, innovation, and inclusion in Treasury’s organizational culture and business practices



People are the source of excellence and innovation in any enterprise. Treasury aims to create and sustain a high-performing and inclusive organizational culture that celebrates shared values and diverse contributions so that all employees will be inspired and motivated to do their best in service to the American people. Treasury leaders and managers will communicate mission goals and priorities, provide the necessary resources and developmental opportunities, and recognize accomplishments enabling Treasury employees to align their efforts to departmental goals and produce high quality results by working collaboratively, effectively, and efficiently.

Treasury will inspire excellence by supporting individual and organizational growth through continuous learning and improvement. We will cultivate an inclusive workplace by supporting equal opportunity and diversity – and by offering work life options that enable employees to contribute to Treasury’s mission.

Strategies:¹⁰

- Reinforce a performance and recognition culture, setting clear individual performance expectations aligned to organizational performance
- Implement performance management processes that encourage individuals to achieve their commitments and that drive organizations to achieve successful outcomes
- Facilitate greater understanding of employee responsibilities and generate mutual trust through the implementation of a Treasury-wide program on detecting, preventing, and mitigating insider threats
- Conduct multi-tiered diversity and inclusion programs and training to foster an environment that values the individual and the team
- Create a leadership management system that includes building a community of enterprise leaders with succession and retention programs and plans, and identifying a talent pipeline
- Engage new employees early to teach them about Treasury’s mission and culture and to enable their successful integration

Contributing Treasury Programs:

- Management [Lead Office]
- All Treasury bureaus and policy offices

¹⁰ These strategies are supported by Treasury’s FY 2014–2017 Human Capital Strategic Plan, which more fully discusses Treasury’s plans to achieve this objective.

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 5.1 include:

- Treasury-wide results-oriented performance scores, such as the Federal Employee Viewpoint Survey and diversity metrics
- Operational measures, such as the time it takes to hire employees and complete manager training

In addition, Management is currently evaluating the state of leadership development and support systems within Treasury.



The Office of Management (DO)

The Office of Management's mission is to provide effective and efficient management of the Department's resources. Management is responsible for the Department's internal management and policy for budget, planning, human resources, information and technology management, financial management and accounting, procurement, privacy, records, and administrative services to Departmental Offices.

- Operates in Washington, DC under the leadership of an assistant secretary.
- In 1963, the Office of Budget and Finance was established, a precursor to the Office of Management.

Strategic Objective 5.2 – Support effective, data-driven decision-making and encourage transparency through intelligent gathering, analysis, sharing, use, and dissemination of information



Decision-makers are most effective when information and data are readily available to help them understand the issues at hand and weigh the available options. We will encourage government-wide access to information unique to Treasury to facilitate increased use of evidence and evaluation in decision-making. By better leveraging the use of existing data across government (with the requisite controls in place for privacy and other considerations), Treasury can encourage better data-based decision-making and enable effective risk analysis, enhancing organizational resilience and risk management. Equally important, employees must be equipped with the skills and capabilities to analyze and consume data.

Strategies:

- Implement an organizational performance management system and process that draws clear links from strategy and priorities to organizational performance, supported by data
- Use performance information and data as the basis for budget decisions
- Create and support more and better evidence and evaluation programs at the bureaus and policy offices
- Create mechanisms for more effective information sharing within Treasury and with its inter-agency partners, including creating standards and ensuring the quality of corporate data
- Support employees in developing analytical skills
- Create, automate, and institutionalize (where possible) systems that link all financial data and operations/management data
- Collect, report, and responsibly share information related to the national security, foreign policy, or economy of the U.S. that is held by Treasury personnel through the strategic debriefing and reporting program
- Develop and institutionalize effective contingency plans for potential disruptions to normal operations, including early detection and notification capabilities

Contributing Treasury Programs:

- Management [Lead Office]
- All Treasury bureaus and policy offices

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 5.2 include:

- Accessibility of information to the public, including timely responses to request for information
- Impact measures such as the effectiveness of Treasury’s Quarterly Performance Reviews, which are used to manage progress towards agency goals and drive effective decision-making



Strategic Objective 5.3 – Promote efficient use of resources through shared services, strategic sourcing, streamlined business processes, and accountability



Treasury will continue to focus on achieving cost savings for the American people, modernizing operations, and increasing productivity by governing strategically, working smarter, and leveraging technology. Increasing the use of shared services and better leveraging strategic sourcing plays a big role in working smarter and governing strategically. Treasury’s “shared services first” approach has enabled us to manage across organizational boundaries, which has helped improve operational effectiveness and coordination across the Department. We aim to expand shared information technology platforms to decrease cost per capita and increase the efficiency and effectiveness of commodity functions.

Strategies:

- Promote the use of shared services throughout the federal government, particularly in administrative areas such as financial management and human capital
- Push strategic sourcing and procurement reform across Treasury and the federal government
- Standardize and consolidate systems for management functions including governance of major investments, Interagency Agreements, and human resources (HR) systems to promote Treasury efficiency and cost savings
- Create incentives for employees and organizations to identify and improve processes
- Create a continuous improvement culture by generating leadership support, creating continuous improvement organizational leadership, and providing skills training

Contributing Treasury Programs:

- Management [Lead Office]
- Treasury’s Shared Services Program and the Administrative Resource Center
- All Treasury bureaus and policy offices

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 5.3 include:

- Direct cost per system user for services administered on Treasury’s platforms
- Use of government-wide or Treasury-wide contract vehicles

In addition, the Fiscal Service plans to coordinate a benchmarking effort that will help to establish a common set of financial management services and products for shared service providers while identifying a consistent and explainable method for capturing costs for purposes of comparison.



Strategic Objective 5.4 – Create a culture of service through relentless pursuit of customer value

Treasury is a service organization; we provide services and products to the American people, businesses, federal agencies, partners within Treasury, and other entities, both foreign and domestic. Each of these groups has unique needs, values, and measures of success. Improving customer service at Treasury means creating a culture among our leadership and employees where everyone understands each unique customer and defines their success as customer success. This effort involves every part of Treasury and reaches beyond the Management Offices into each bureau and policy office.

Taxpayers expect to interact with the Department of the Treasury in a manner that is fair and straightforward. To meet this expectation, we aspire to provide the best service in the federal government.

Strategies:

- Coordinate customer service efforts to include better responses to requests, improved communication with customers, and improved processes
- Use metrics and measures to understand customer value and customer service priorities
- Provide customer service training, mentoring, and coaching
- Incorporate taxpayer perspectives to improve all service interactions
- Increase digital options to improve service timeliness and accessibility

Contributing Treasury Programs:

- Management [Lead Office]
- All Treasury bureaus and policy offices

Evaluating Progress:

Examples of potential measures and indicators for Strategic Objective 5.4 include:

- Customer service and satisfaction surveys

APPENDICES

Exhibit A: Performance Management and Strategic Planning in Treasury

Treasury employs a robust suite of tools and processes to perform data analytics-driven, performance-focused, and outcome-based strategic oversight and management of our bureaus and offices. These processes, which are being constantly improved, are embedded in the way we do business. They remain the centerpiece of Treasury's focus on being a model of outstanding federal sector governance and management.



The foundational process that drives Treasury's performance improvement culture is the oversight mechanism that the Deputy Secretary as the Department's Chief Operating Officer, instituted to exercise strategic and operational oversight and guidance. Quarterly Performance Reviews provide Treasury's senior management team regular opportunities to engage the policy offices and bureaus on operational performance in mission and management areas as well as performance and budget priorities. These sessions not only provide greater transparency on government management issues through Treasury's performance assessment and reporting systems but also facilitate critical analysis and decision-making to improve organizational performance and outcomes.

Treasury has strengthened our partnerships with key federal organizations, including the Office of Management and Budget (OMB) and the Performance Improvement Council (PIC), sharing best practices as leadership oversees progress on our strategic goals and our current Agency Priority Goals.¹¹

Summary of Consultation Efforts

As an integral part of the strategic planning process, Treasury consulted with its federal government partners and stakeholders in preparing this strategic plan for Fiscal Years 2014-2017. Federal agency partners, congressional contacts, and the public were encouraged to submit comments on the plan, which were then reviewed and considered by senior leadership.

¹¹ For a full discussion of the Department's current Agency Priority Goals and Cross-Agency Priority Goals, please refer to www.performance.gov for the agency's contributions to those goals and progress.

Exhibit B: Definition of Strategic Planning Terms

Mission Statement

A brief, easy-to-understand narrative, usually no more than a sentence long. It defines the basic purpose of the agency and is consistent with the agency's core programs and activities expressed within the broad context of national problems, needs, or challenges.

Strategic Goals

Statements that articulate general long-term outcomes that an agency hopes to achieve for the major functions and operations of the agency. They should address the broader impact desired by the organization.

Strategic Objectives

Statements that reflect the specific impact the agency aims to achieve under a certain goal. Objectives are tied to a set of performance goals and indicators established to help the agency monitor and understand progress.

Strategies

Statements that describe the approaches or practices an agency plans to employ to make progress on strategic objectives.

Indicators

Broad-based metrics that show whether desired outcomes are trending in the desired direction.

Measures

Metrics that help determine the impact or influence activities have on outcomes. Specific targets are associated with them. They can be quantitative or qualitative in nature.

External Factors

Situations and circumstances (environments) that can influence program results and outcomes, not within the control of the agency.

External Partners

Foreign and domestic government and private agencies, organizations, or entities that contribute to the achievement of an agency objective.

Exhibit C: Alignment of Treasury Programs to Strategic Objectives

Strategic Goal	Strategic Objective	DO-DF	DO-IA	DO-TFI	DO-OTP	DO-EP	IRS	CDFI	Fiscal	OCC	FINCEN	TTB	BEP	Mint	OFS	FSOC/OFR	TEOAF
Goal 1: Promote domestic economic growth and stability while continuing reforms of the financial system	1.1: Promote savings and increased access to credit and affordable housing options	X				X		X	X								
	1.2: Wind down emergency financial crisis response programs	X													X		
	1.3: Complete implementation of financial regulatory reform initiatives, continue monitoring capital markets, and address threats to stability	X	X			X				X							X
	1.4: Facilitate commerce by providing trusted and secure U.S. currency, products, and services for use by the public									X		X	X	X			
Goal 2: Enhance U.S. competitiveness and job creation, and promote international financial stability and more balanced global growth	2.1: Promote free trade, open markets, and foreign investment opportunities		X		X	X											
	2.2: Protect global economic and financial stability and press for market-determined foreign exchange rates		X														
	2.3: Advance U.S. economic, financial, and national security goals by leveraging multilateral mechanisms		X	X													
	2.4: Provide technical assistance to developing countries working to improve public financial management and strengthen their financial systems		X														
Goal 3: Fairly and effectively reform and modernize federal financial management, accounting, and tax systems	3.1: Improve the efficiency and transparency of federal financial management and government-wide accounting	X							X								
	3.2: Improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. government	X							X								
	3.3: Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code				X		X					X					
Goal 4: Safeguard the financial system and use financial measures to counter national security threats	4.1: Identify priority threats to the financial system using intelligence analysis and outreach to the financial sector			X							X						
	4.2: Develop, implement, and enforce sanctions and other targeted financial measures			X							X						X
	4.3: Improve the cybersecurity of our nation's financial sector	X	X							X							
	4.4: Protect the integrity of the financial system by implementing, promoting, and enforcing anti-money laundering and counterterrorism financing standards			X						X	X						
Goal 5: Create a 21st-century approach to government by improving efficiency, effectiveness, and customer interaction	5.1: Increase workforce engagement, performance, and diversity by instilling excellence, innovation, and inclusion in Treasury's organizational culture and business practices	<p>Treasury's Management Office coordinates Treasury-wide efforts to achieve Goal 5 objectives; however, all Treasury Offices and Bureaus contribute to the achievement of these objectives within their organizations.</p>															
	5.2: Support effective, data-driven decision-making and encourage transparency through intelligent gathering, analysis, sharing, use, and dissemination of information																
	5.3: Promote efficient use of resources through shared services, strategic sourcing, streamlined business processes, and accountability																
	5.4: Create a culture of service through relentless pursuit of customer value																