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# Office of the Chief Financial Officer

[www.cfo.dc.gov](http://www.cfo.dc.gov)

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Description	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed	% Change from FY 2014
Operating Budget	\$121,396,482	\$138,980,401	\$166,347,577	19.7
FTEs	843.1	927.0	962.0	3.8

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The mission of the Office of the Chief Financial Officer (OCFO) is to provide financial management services to the government and the people of the District of Columbia to sustain long-term fiscal and economic viability.

## Summary of Services

The Office of the Chief Financial Officer provides enhanced fiscal and financial stability, accountability, and integrity for the Government of the District of Columbia. The OCFO ensures that District spending levels remain within approved budgets and available revenues for each fiscal year so that spending deficits do not occur; maintains adequate cash balances; minimizes receivables balances; manages the District's debt and finances in a manner that provides optimal opportunities to maximize bond ratings and minimize the cost of borrowed capital; ensures that the ratio of total debt service to General Fund expenditures remains within a maximum of 12 percent; improves tax payment compliance by increasing collections from the accounts receivable balance and the non-filer population, as measured by percentage change in delinquent collections; develops and supports financial management systems that provide accurate and timely information; and produces the District's Comprehensive Annual Financial Report (CAFR) on time with an unqualified clean opinion.

The agency's FY 2015 proposed budget is presented in the following tables:

## FY 2015 Proposed Gross Funds Operating Budget, by Revenue Type

Table AT0-1 contains the proposed FY 2015 agency budget compared to the FY 2014 approved budget. It also provides FY 2012 and FY 2013 actual expenditures.

**Table AT0-1**  
(dollars in thousands)

<b>Appropriated Fund</b>	<b>Actual FY 2012</b>	<b>Actual FY 2013</b>	<b>Approved FY 2014</b>	<b>Proposed FY 2015</b>	<b>Change from FY 2014</b>	<b>Percent Change*</b>
<b>General Fund</b>						
Local Funds	95,011	99,682	106,743	114,378	7,635	7.2
Special Purpose Revenue Funds	9,301	14,387	24,387	43,826	19,439	79.7
<b>Total for General Fund</b>	<b>104,312</b>	<b>114,069</b>	<b>131,130</b>	<b>158,204</b>	<b>27,074</b>	<b>20.6</b>
<b>Federal Resources</b>						
Federal Grant Funds	563	432	0	525	525	N/A
<b>Total for Federal Resources</b>	<b>563</b>	<b>432</b>	<b>0</b>	<b>525</b>	<b>525</b>	<b>N/A</b>
<b>Private Funds</b>						
Private Donations	0	56	0	0	0	N/A
<b>Total for Private Funds</b>	<b>0</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>Intra-District Funds</b>						
Intra-District Funds	8,292	6,839	7,851	7,619	-232	-3.0
<b>Total for Intra-District Funds</b>	<b>8,292</b>	<b>6,839</b>	<b>7,851</b>	<b>7,619</b>	<b>-232</b>	<b>-3.0</b>
<b>Gross Funds</b>	<b>113,167</b>	<b>121,396</b>	<b>138,980</b>	<b>166,348</b>	<b>27,367</b>	<b>19.7</b>

\*Percent change is based on whole dollars.

**Note:** If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2015 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## **FY 2015 Proposed Full-Time Equivalents, by Revenue Type**

Table AT0-2 contains the proposed FY 2015 FTE level compared to the FY 2014 approved FTE level by revenue type. It also provides FY 2012 and FY 2013 actual data.

**Table AT0-2**

<b>Appropriated Fund</b>	<b>Actual FY 2012</b>	<b>Actual FY 2013</b>	<b>Approved FY 2014</b>	<b>Proposed FY 2015</b>	<b>Change from FY 2014</b>	<b>Percent Change</b>
<b><u>General Fund</u></b>						
Local Funds	753.6	769.6	839.9	874.4	34.5	4.1
Special Purpose Revenue Funds	29.8	26.7	44.0	44.0	0.0	0.0
<b>Total for General Fund</b>	<b>783.4</b>	<b>796.3</b>	<b>883.9</b>	<b>918.4</b>	<b>34.5</b>	<b>3.9</b>
<b><u>Intra-District Funds</u></b>						
Intra-District Funds	57.4	46.8	43.1	43.6	0.5	1.2
<b>Total for Intra-District Funds</b>	<b>57.4</b>	<b>46.8</b>	<b>43.1</b>	<b>43.6</b>	<b>0.5</b>	<b>1.2</b>
<b>Total Proposed FTEs</b>	<b>840.8</b>	<b>843.1</b>	<b>927.0</b>	<b>962.0</b>	<b>35.0</b>	<b>3.8</b>

## FY 2015 Proposed Operating Budget, by Comptroller Source Group

Table AT0-3 contains the proposed FY 2015 budget at the Comptroller Source Group (object class) level compared to the FY 2014 approved budget. It also provides FY 2012 and FY 2013 actual expenditures.

**Table AT0-3**  
(dollars in thousands)

Comptroller Source Group	Actual FY 2012	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change*
11 - Regular Pay - Continuing Full Time	66,567	66,668	73,404	80,143	6,739	9.2
12 - Regular Pay - Other	437	713	678	721	43	6.3
13 - Additional Gross Pay	828	665	51	51	0	0.0
14 - Fringe Benefits - Current Personnel	13,816	14,207	18,383	17,720	-663	-3.6
15 - Overtime Pay	430	759	25	25	0	0.0
<b>Subtotal Personal Services (PS)</b>	<b>82,078</b>	<b>83,013</b>	<b>92,541</b>	<b>98,659</b>	<b>6,118</b>	<b>6.6</b>
20 - Supplies and Materials	344	266	427	438	11	2.6
31 - Telephone, Telegraph, Telegram, Etc.	58	63	0	0	0	N/A
40 - Other Services and Charges	5,666	5,898	8,875	12,448	3,572	40.2
41 - Contractual Services - Other	24,337	30,325	36,422	54,040	17,618	48.4
50 - Subsidies and Transfers	0	222	0	0	0	N/A
70 - Equipment and Equipment Rental	685	1,610	715	762	47	6.6
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>31,089</b>	<b>38,384</b>	<b>46,439</b>	<b>67,688</b>	<b>21,249</b>	<b>45.8</b>
<b>Gross Funds</b>	<b>113,167</b>	<b>121,396</b>	<b>138,980</b>	<b>166,348</b>	<b>27,367</b>	<b>19.7</b>

\*Percent change is based on whole dollars.

## Program Description

The Office of the Chief Financial Officer operates through the following 9 programs:

**Financial Operations and Systems** – carries out the District’s accounting operations, including critical functions such as District-wide general ledger accounting, financial reporting, and pay and retirement services. The program produces the CAFR, which shows the District’s financial position at the end of each fiscal year. The program also develops accounting policies and procedures, policies that support the System of Accounting and Reporting (SOAR), the District’s formal book of record, and policies and procedures for other areas of financial management throughout the OCFO.

This program contains the following 6 activities:

- **Operations and Administration** – provides leadership, general program management, personnel, procurement, automated accounting system access security, fixed asset accountability, and other logistical support services to Office of Financial Operations and Systems staff for general accounting services, specialized accounting systems management, payroll, financial reporting, accounting policies and procedures, and benefits administration for employees, agencies, and District leaders for their use in decision-making. Additionally, this activity provides citizens with financial information so that they can keep abreast of the District’s financial position;
- **Accounting Operations** – provides District-wide General Ledger accounting in order to maintain the official automated book of record on which the financial position of the District is ascertained for the District’s elected and appointed leaders, Congress, District agencies (directors, financial managers, and employees), public and private financial communities, and the general public. This activity ensures timely and accurate information on the District’s financial position and facilities to decision-makers;
- **Financial Policies and Procedures** – provides recorded references for standard government accounting practices (policies and theories) and guidelines for operation (procedures and process flows) of the District’s daily accounting functions and the supporting automated system of record to ensure that accounting and financial managers and their staff follow the District’s financial policy and procedures;
- **Financial Control and Reporting** – provides statements of financial position for the Mayor, Council of the District of Columbia, Congress, District managers, national bond-rating agencies, and the general public to enable informed decisions based on timely and accurate financial information;
- **Federal Annuitant Benefits Administration** – provides accurate and timely annuity payments and related benefits to former and retired federal law enforcement officers; and
- **Payroll Disbursements and Wage Reporting** – provides a record of compensation and related payments to District employees with accurate and timely paychecks.

**Budget and Planning (Budget Development and Execution)** – prepares, monitors, analyzes, and executes the District government’s budget, including operating, capital, and enterprise funds, in a manner that facilitates fiscal integrity and maximizes services to taxpayers. This program also provides advice to policy-makers on the District government’s budget and has the primary responsibility for ensuring that the budget is balanced at the time of budget formulation and maintaining that balance throughout the year as the budget is executed.

This program contains the following 4 activities:

- **Executive Direction and Support** – provides general program management, leadership, technical assistance, and support services to Office of Budget and Planning staff and other District government personnel facilitating financial planning, budgetary, performance, and cost analysis of decision-makers to enable them to make effective decisions and achieve strategic goals. This activity also provides citizens with information on District finances;

- **Financial Planning and Analysis** – monitors and analyzes the District’s budget and expenditures; provides technical support for the District’s Anti-Deficiency Board; provides technical support of system applications to District staff; coordinates and monitors the District’s Financial Review Process (FRP) by ensuring the timely submission of agencies’ FRP reports, which include expenditure forecasts. This activity also develops and reports on budget revisions, Intra-District modifications, and monthly operating budget expenditures; analyzes and forecasts compensation costs; provides historical information for bond issuance statements; provides supporting budget documentation to auditors; and prepares the District’s five-year Financial Plan for the budget books;
- **Operating Budget Formulation and Development** – provides the framework for formulation of the District’s annual operating budget; publishes the operating budget on behalf of the Mayor and the District; executes the operating budget during the fiscal year; monitors agency spending, including analysis of spending pressures; reviews and approves federal and private grant budget authority requests from District agency heads; and provides other financial and budgetary services to the Mayor, Council, and other stakeholders on a timely and accurate basis enabling District officials to make informed decisions on allocations of District operating resources among policy priorities; and
- **Capital Budget Formulation and Development** – provides the framework for formulation of the District’s 6-year capital budget; publishes the capital budget on behalf of the Mayor and the District; executes the capital budget during the fiscal year; provides detailed reviews of available capital financing and aligns such financing with the District’s annual capital funds budget authority within the debt cap; and provides other financial and budgetary services to the Mayor and Council on a timely and accurate basis to enable them to make informed decisions on District capital resources.

**Revenue and Analysis** – provides revenue estimates, revenue policy analysis, and analysis supporting economic development. The program area is divided into two offices, both of which report directly to the CFO: the Office of Revenue Analysis (ORA) and Economic Development Finance (EDF).

ORA services include the preparation of (i) analyses of revenue sources and development of quarterly revenue estimates that set the hard budget constraint for the District of Columbia budget; (ii) fiscal impact statements, which provide estimates of direct costs to the four-year financial plan; (iii) periodic reports on economic and revenue trends and the monthly Economic Indicators for the District of Columbia; (iv) the chapter on revenue in each annual Budget and Financial Plan that is prepared by the District of Columbia; and (v) special studies, including on metropolitan and nationwide household tax burden comparisons, a bi-annual Tax Expenditure Study detail on statutory provisions of District taxes, a running historical update of major changes in District revenue laws, an Annual Revenue Data Book, and the monthly Cash Report of District tax collections.

EDF provides sophisticated analyses of fiscal, economic, financial, and administrative impacts of proposed projects; analyzes the financial feasibility of economic development projects in the District; and advises the CFO and Mayor on proposed economic development debt issuances. EDF oversees all Tax Increment Financing (TIF) and Payment-in-Lieu-of-Taxes (PILOT) projects into which the District enters; provides guidance on changes in development policy options and long-term financial expectations; reviews legislative proposals that include tax abatements or exemptions, and provides an advisory tax abatement financial analysis (TAFA) for submission to Council; coordinates with ORA to provide fiscal impact analyses on proposed tax-supported financings, land transfers, and economic development projects; and represents the OCFO on the boards of Events DC (formerly the Washington Convention and Sports Authority) and Destination D.C.

This program contains the following 6 activities:

- **Executive Direction and Support** – provides general program management, leadership, technical assistance, and support services to staff including research and analytical services on revenue and economic data and analysis of fiscal and administrative impacts to decision-makers;

- **Financial Data Quality Assurance** – provides quality assurance of all products and materials developed by ORA. It also establishes records maintenance and retention standards for all work products and work papers supporting products that ORA prepares;
- **Revenue Estimation** – provides economic and revenue data and analysis and District tax structure data and analysis to the Mayor, Council, and Congress so that they can have timely and quality information for policy formulation and decision-making;
- **Economic Development** – provides analysis of the fiscal, economic, financial, and administrative impact on real estate projects to the Chief Financial Officer, the Mayor, the Deputy Mayor for Planning and Economic Development, and the Council so that they can effectively assess economic development initiatives and ensure maximum economic benefit to the city;
- **Legislative and Fiscal Analysis** – provides legislative fiscal impact analysis for the Mayor, the Council, and Congress so that they can have timely and quality information for policy formulation and decision-making; and
- **Economic Affairs** – develops and presents documents detailing the economic and revenue affairs of the District of Columbia to components of the OCFO, the Mayor, the Council, and Congress so that all can have timely and quality information for policy formulation and decision-making.

**Tax and Revenue (Tax Administration)** – provides fair, efficient, and effective administration of the District's business, income, excise, and real property tax laws.

This program contains the following 7 activities:

- **Executive Direction and Support** – provides general program management, leadership and support services to the Tax Administration program so that it can coordinate comprehensive tax services for District taxpayers and ensure that the District is collecting the accurate amount of tax revenue;
- **External Customer Service, Information, and Education** – provides customer service through walk-in and telephone customer service centers, which assist approximately 300,000 taxpayers annually. This activity also consists of developing and distributing public tax forms; supporting various electronic tax filing and payment options, including electronic self-service and account management functions; initiating and responding to mail correspondence with taxpayers; and tax registration and certification services;
- **Recorder of Deeds** – provides support for the transfer and titling of real property in the District and responds to requests for title documents from individuals and the real estate and real estate title industries;
- **Real Property Tax Administration** – provides for the assessment and billing of real property taxes and first-level assessment appeals;
- **Tax Audits and Investigations** – enforces tax compliance by identifying potential non-filers and performing other tax compliance checks to ensure that the District is collecting the correct amount of tax payments due from all taxpayers. This activity also identifies and investigates cases of tax fraud;
- **Revenue Accounting** – provides for the proper accounting of and reporting on revenue collections and supports issuance of tax refunds; and
- **Receipts and Delinquent Collections** – provides for the processing of more than one million tax returns annually and the recording and prompt deposit of billions of dollars in tax payments. This includes collections of delinquent tax payments.

**Information Technology** – provides for the development and maintenance of state-of-the-art financial information systems to support the District of Columbia's payroll, pension, accounting, tax, budget, treasury, and web-based financial reporting systems. The principal objectives of the program are to maintain accurate systems, modify systems in response to the changing needs of the District, and maintain compliance with federal, state, and local regulations.

**Finance and Treasury** – provides management of the financial assets and liabilities of the Government of the District of Columbia. This includes investing, collecting, safe-keeping, disbursing, recording, and acquiring District financial resources.

This program contains the following 7 activities:

- **Executive Direction and Support** – provides leadership, strategic direction, and administrative support services to department managers and employees so that they can achieve organizational and individual performance results;
- **Debt and Grants Management** – provides for the issuance of bonds, notes, and other financing vehicles for the District so that it can finance capital infrastructure projects and help ensure seasonal cash needs, and manages the cash and accounting of District agencies' federal grant draw-downs;
- **Cash Management and Investment** – provides for the management of the cash resources of the District so that the District can meet its cash obligations and maximize its return on investments;
- **Disbursement Management** – provides check-printing and disbursement services for District agencies so that they can fulfill their payment obligations;
- **Cash Receipts and Accounting** – provides revenue collection services, including cashiering at various District sites, and provides for the management of banking services for all District agencies;
- **Asset Management** – provides for the management of the District-run pension plans, college savings plan, and unclaimed property; and
- **Central Collection Unit** – consolidates several District agency collection programs into the OCFO to pursue the collection of outstanding debts owed to the District.

**Integrity and Oversight** – ensures the maintenance of the accountability, integrity, and efficiency of the District of Columbia's financial management and tax administration systems. Through its audit and investigative activities, this program provides the Chief Financial Officer with independent reviews and appraisals of OCFO operations and ensures the maintenance of the highest standards of integrity and security of OCFO employees.

This program contains the following 3 activities:

- **Audit Services** – provides audit and review services to assist the District's financial managers to ensure the integrity, efficiency, and effectiveness of District programs; manages the review and response to external audit reports; and coordinates District single audits and management letter comments for District agencies so that they can improve operations;
- **Security Integrity Oversight** – provides security and integrity oversight for the OCFO by administering the emergency response program for the OCFO and conducting integrity probes and integrity awareness presentations aimed at detecting and preventing fraud and other misconduct in OCFO programs; and
- **Investigations** – maintains public confidence in the integrity of the OCFO by investigating alleged misconduct by OCFO employees, as well as by conducting background investigations to determine suitability for employment. This investigative service provides reports to OCFO management so that they can take administrative action as appropriate.

**Agency Management** – provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

**Agency Financial Operations** – provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This program is standard for all agencies using performance-based budgeting.



## Program Structure Change

The Office of the Chief Financial Officer has no program structure changes in the FY 2015 proposed budget.

## FY 2015 Proposed Operating Budget and FTEs, by Program and Activity

Table AT0-4 contains the proposed FY 2015 budget by program and activity compared to the FY 2014 approved budget. It also provides the FY 2013 actual data.

**Table AT0-4**

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014
<b>(1000) Agency Management</b>								
(1010) Personnel	1,327	1,656	1,805	148	12.7	14.0	15.0	1.0
(1015) Training and Employee Development	439	555	553	-3	3.8	4.0	4.0	0.0
(1020) Contracting and Procurement	1,060	1,190	1,269	78	9.8	11.0	11.0	0.0
(1030) Property Management	792	782	788	6	8.6	9.0	9.0	0.0
(1060) Legal Services	2,075	2,092	2,190	98	11.6	14.0	14.0	0.0
(1080) Communications	170	186	192	6	1.0	1.0	1.0	0.0
(1090) Performance Management	1,052	1,446	1,540	93	7.3	8.0	8.0	0.0
<b>Subtotal (1000) Agency Management</b>	<b>6,915</b>	<b>7,908</b>	<b>8,336</b>	<b>428</b>	<b>54.8</b>	<b>61.0</b>	<b>62.0</b>	<b>1.0</b>
<b>(100F) Agency Financial Operations</b>								
(110F) Budget Operations	925	591	557	-34	3.8	4.0	4.0	0.0
(120F) Accounting Operations	421	397	471	74	3.8	4.0	5.0	1.0
<b>Subtotal (100F) Agency Financial Operations</b>	<b>1,346</b>	<b>988</b>	<b>1,029</b>	<b>41</b>	<b>7.6</b>	<b>8.0</b>	<b>9.0</b>	<b>1.0</b>
<b>(2000) Financial Operations and Systems</b>								
(2100) Operations and Administration	1,037	1,083	1,107	24	6.7	8.0	8.0	0.0
(2200) Accounting Operations	1,638	1,797	1,968	172	17.2	17.0	17.0	0.0
(2300) Financial Policies and Procedures	546	596	565	-31	7.6	4.0	4.0	0.0
(2400) ASM/Functional Support	380	0	0	0	8.6	0.0	0.0	0.0
(2500) Financial Control and Reporting	2,386	3,365	3,454	89	7.6	25.0	25.0	0.0
(2600) Benefits Administration	900	1,143	1,173	30	6.7	9.0	9.0	0.0
(2700) Payroll Disbursements and Wage Reporting	4,327	4,751	4,879	129	38.3	34.0	34.0	0.0
<b>Subtotal (2000) Financial Operations and Systems</b>	<b>11,215</b>	<b>12,733</b>	<b>13,146</b>	<b>413</b>	<b>92.8</b>	<b>97.0</b>	<b>97.0</b>	<b>0.0</b>
<b>(3000) Budget Development and Execution</b>								
(3100) Executive Direction and Support	1,425	1,277	1,328	51	11.5	8.0	7.0	-1.0
(3400) Financial Planning and Analysis	478	1,349	1,096	-252	2.9	7.0	7.0	0.0
(3700) Operating Budget Formulation and Development	2,381	2,612	2,620	8	21.0	22.0	22.0	0.0
(3800) Capital Budget Formulation and Development	551	637	746	109	4.8	5.0	6.0	1.0
<b>Subtotal (3000) Budget Development and Execution</b>	<b>4,834</b>	<b>5,874</b>	<b>5,791</b>	<b>-84</b>	<b>40.1</b>	<b>42.0</b>	<b>42.0</b>	<b>0.0</b>

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**Table AT0-4 (Continued)**

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014
<b>(4000) Research and Analysis</b>								
(4100) Executive Direction and Support	568	636	999	363	2.9	3.0	6.0	3.0
(4200) Financial Data Quality Assurance	202	0	119	119	0.0	0.0	1.0	1.0
(4300) Revenue Estimation	809	1,020	1,024	4	8.6	8.0	8.0	0.0
(4500) Economic Development	663	903	866	-37	4.8	5.0	4.0	-1.0
(4700) Legislative and Fiscal Analysis	693	730	784	54	4.8	6.0	6.0	0.0
(4800) Economic Affairs	524	624	639	15	3.8	4.0	4.0	0.0
<b>Subtotal (4000) Research and Analysis</b>	<b>3,458</b>	<b>3,913</b>	<b>4,430</b>	<b>517</b>	<b>24.9</b>	<b>26.0</b>	<b>29.0</b>	<b>3.0</b>
<b>(5000) Tax Administration</b>								
(5100) Executive Direction and Support	4,485	5,764	4,150	-1,614	19.1	20.0	20.0	0.0
(5200) External Customer Service Information	7,355	7,508	8,071	563	77.6	82.0	87.0	5.0
(5300) Recorder of Deeds	1,851	2,982	3,698	716	21.0	21.0	24.0	3.0
(5400) Real Property Tax Administration	7,533	10,117	10,501	384	77.4	92.0	97.0	5.0
(5500) Tax Audits and Investigations	8,309	9,276	9,594	318	84.7	94.0	89.0	-5.0
(5600) Revenue Accounting	2,020	1,716	2,483	767	16.8	16.0	23.0	7.0
(5700) Receipts and Delinquent Collections	14,039	20,145	29,437	9,292	162.9	186.0	202.0	16.0
<b>Subtotal (5000) Tax Administration</b>	<b>45,592</b>	<b>57,507</b>	<b>67,934</b>	<b>10,427</b>	<b>459.6</b>	<b>511.0</b>	<b>542.0</b>	<b>31.0</b>
<b>(6000) Information Technology</b>								
(6100) Information Technology Support	25,069	21,418	25,407	3,989	74.2	78.0	78.0	0.0
<b>Subtotal (6000) Information Technology</b>	<b>25,069</b>	<b>21,418</b>	<b>25,407</b>	<b>3,989</b>	<b>74.2</b>	<b>78.0</b>	<b>78.0</b>	<b>0.0</b>
<b>(7000) Finance and Treasury</b>								
(7100) Executive Direction and Support	888	793	1,048	255	4.8	5.0	5.0	0.0
(7200) Debt Management	674	952	1,131	179	5.2	5.0	5.0	0.0
(7300) Cash Management and Investments	5,166	6,537	8,472	1,936	12.5	8.0	16.0	8.0
(7400) Disbursements	2,049	2,308	2,194	-114	7.6	8.0	8.0	0.0
(7500) Cash Receipts and Accounting	2,972	3,577	3,427	-150	31.1	36.0	35.0	-1.0
(7600) Asset Management for Special Programs	2,194	4,264	4,500	236	8.2	13.0	13.0	0.0
(7700) Central Collection Unit (CCU)	4,931	5,776	14,960	9,184	0.0	8.0	0.0	-8.0
<b>Subtotal (7000) Finance and Treasury</b>	<b>18,874</b>	<b>24,207</b>	<b>35,733</b>	<b>11,526</b>	<b>69.4</b>	<b>83.0</b>	<b>82.0</b>	<b>-1.0</b>
<b>(8000) Integrity and Oversight</b>								
(8100) Audit Services	3,113	3,069	3,147	78	11.1	12.0	12.0	0.0
(8200) Security Integrity Oversight	227	585	531	-55	2.9	3.0	3.0	0.0
(8300) Investigations	530	777	864	87	5.7	6.0	6.0	0.0
<b>Subtotal (8000) Integrity and Oversight</b>	<b>3,870</b>	<b>4,432</b>	<b>4,542</b>	<b>110</b>	<b>19.7</b>	<b>21.0</b>	<b>21.0</b>	<b>0.0</b>
<b>(9960) Year End Close</b>								
(9961) Year End Close	-4,378	0	0	0	0.0	0.0	0.0	0.0
<b>Subtotal (9960) Year End Close</b>	<b>-4,378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(REVN) Revenue</b>								
(GNRV) General Revenue	4,378	0	0	0	0.0	0.0	0.0	0.0
(TXRV) Tax Revenue	222	0	0	0	0.0	0.0	0.0	0.0
<b>Subtotal (REVN) Revenue</b>	<b>4,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Proposed Operating Budget</b>	<b>121,396</b>	<b>138,980</b>	<b>166,348</b>	<b>27,367</b>	<b>843.1</b>	<b>927.0</b>	<b>962.0</b>	<b>35.0</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)

**Note:** For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2015 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## **FY 2015 Proposed Budget Changes**

The Office of the Chief Financial Officer's (OCFO) proposed FY 2015 gross budget is \$166,347,577, which represents a 19.7 percent increase over its FY 2014 approved gross budget of \$138,980,401. The budget is comprised of \$114,377,803 in Local funds, \$525,000 in Federal Grant funds, \$43,825,897 in Special Purpose Revenue funds, and \$7,618,877 in Intra-District funds.

### **Current Services Funding Level**

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2014 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The FY 2015 CSFL adjustments to the FY 2014 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

OCFO's FY 2015 CSFL budget is \$110,204,429, which represents a \$3,461,249, or 3.2 percent, increase over the FY 2014 approved Local funds budget of \$106,743,180.

### **CSFL Assumptions**

The FY 2015 CSFL calculated for OCFO included adjustment entries that are not described in detail on table 5. These adjustments include a reduction of \$2,000,000 to account for the removal of one-time funding appropriated in FY 2014 to support Enhanced Income Tax Matching and real property appraiser certification in the Tax Administration program. Additionally, adjustments were made for increases of \$3,378,287 in personal services to account for Fringe Benefit costs based on trend and comparative analyses and the impact of cost-of-living adjustments implemented in FY 2013, and \$482,962 in nonpersonal services based on the Consumer Price Index factor of 2.4 percent.

The OCFO's CSFL funding for Operating Impact of Capital reflects an increase of \$1,600,000 to account for support of small area networks, which decentralizes OCFO's technology network requirements to potentially lower overall costs, and other technology needs.

### **Agency Budget Submission**

**Increase:** The Local funds budget increase of \$328,682 and 4.5 FTEs reflects the reallocation of certain resources from nonpersonal services and temporary salaries to fund full-time positions in the Agency Management, Agency Financial Operations, Information Technology, and Tax Administration programs. These positions provide additional support to personnel functions, accounting operations, systems infrastructure support and revenue accounting services, respectively. An increase of \$223,442 in the Tax Administration program reflects higher professional services fees, office support, and administrative costs in the Real Property Administration and in the Tax Audit and Collections divisions. An increase of \$78,001 across multiple programs supports personal services costs in salaries, including step increases and other adjustments. Additionally, the budget increased by \$56,685 to support agency-wide changes to Fringe Benefit costs.

In Federal Grant funds, the budget supports an increase of \$525,000 in the Finance and Treasury program to cover funds for contracts that disburse electronic benefits to eligible District residents. Of this amount, a total of \$425,000 represents a shift of funding from intra-District funds. In prior fiscal years, these funds were classified as intra-District funding, with the agency requesting an enhancement to designate the funding as Federal funds. The OCFO made a programmatic change to properly reflect the transactional relationship and avoid the reclassification of those funds during the year. The remaining amount of \$100,000 supports an increase of grant funding for the program.

In Special Purpose Revenue funds, the budget increased by \$11,085,000 in the Finance and Treasury program to support additional collections and cover certain contractual costs in the Central Collections Unit. In the Tax Administration program, the budget increased by \$8,223,940 to primarily support a transfer pricing

analysis contract, which will help the District evaluate the financial performance and collection of taxes in the District, and to align revenue with projected spending. Additionally, the budget increased by \$204,720 in multiple programs to support changes in salary, salary step increases, and other personal services adjustments.

The Intra-District funds budget increased by \$308,586 and 2.5 FTEs in full time salaries and reflects an increase of 1.5 FTEs in the Tax Administration program and 1.0 FTE in the Finance and Treasury program to support collection and cash management functions, respectively. In addition, the budget reflects modest changes to salaries and the impact of step increases.

**Decrease:** In Local funds, the budget decreased by \$83,450 across multiple programs due to reductions in supplies, equipment, and other operational costs. The budget also decreased by \$295,359 and 3.0 FTEs due to cost savings from the reduction of certain positions. The budget decreased by \$308,002 in the Budget Development and Execution program as a result of the transfer of funds related to the cost drivers project, which integrates the unit costs of agency services with the District's accounting system, to the Office of the Chief Technology Officer.

In Special Purpose Revenue funds, the budget decreased by \$3,594 within multiple programs to align the budget with projected revenues for equipment and other operational costs. Additionally, the budget decreased by \$70,834 to support agency-wide adjustments to Fringe Benefit costs.

In Intra-District Funds, the budget decreased by \$13,972 across multiple programs to reflect the realignment of equipment, supplies, and other costs with operational needs. The budget decreased by a total of \$33,596 to align the budget with projected Fringe Benefit adjustments. The budget reflects a total savings of \$67,771 and 2.0 FTEs due to reductions to certain temporary positions across multiple programs and other salary adjustments.

**Shift:** A total of \$425,000 moved from Intra-District funds to Federal Grant funds in the Finance and Treasury program. This change reflects the realignment of the funds to Federal grants, which will support electronic benefits transfers for eligible District residents.

**Technical Adjustment:** The budget reflects an increase of \$1,700,000 in Local funds within the Information Technology program to cover certain costs associated with the replacement of the District's accounting system, also known as SOAR. Specifically, these funds support a system hosting and licensing contract.

### **Mayor's Proposed Budget**

**Enhance:** The Local funds budget increased by \$2,623,374 and 33.0 FTEs. Of this amount, a total of \$2,345,374 and 31.0 FTEs support enhancements to the OCFO budget that will address critical operating needs by restoring positions and funding that were lost in recent years and also augment the collection of revenue without increases to taxes or fees. Focused on needs within the Tax Administration and Revenue Analysis programs, the enhancements are projected to yield \$6.1 million in annual revenue.

The enhancements include the following:

- Creating a Quality Assurance and Control Unit within Customer Service Administration to improve business and income tax customer service;
- Improving real property tax sales to strengthen data analysis and avoid erroneous tax sales in the Real Property Tax Assessment Services Division;
- Expediting the review of delayed tax returns due to staff losses and the application of a more stringent criteria to indicate potential fraud;
- Expanding the number of staff at the Recorder of Deeds to prevent processing backlogs and enhance customer service in the cashiering and recordation of property transactions;
- Providing support to the Compliance Adjustment Unit to improve internal controls by limiting access to taxpayer accounts; and
- Strengthening professional development and enforcement capacity in the Compliance Administration.

The Local funds budget for the OCFO also increased by \$128,000 and 2.0 FTEs in the Tax Administration program to support certain provisions within the “Residential Real Property Equity and Transparency Act of 2014”. The funding establishes a delinquent tax deferred payment program for District residents, which would allow plan participants with outstanding property taxes to pay off their tax liability over a four-year period.

Lastly, the Local funds budget increased by \$150,000 in the Tax Administration program to support an enhanced Earned Income Tax Credit (EITC) education initiative for District residents. The DC Earned Income Tax Credit is a special tax break, based on the federal EITC, designed specifically for low and moderate-income workers. People who qualify for the EITC will pay less in taxes or even receive cash back when they file a tax return.

### District’s Proposed Budget

**Transfer-Out:** The OCFO’s proposed Local funds budget reflects a transfer of \$150,000 to the Office of the Deputy Mayor for Planning and Economic Development (DMPED) to support the Earned Income Tax Credit (EITC) education initiative for District residents.

## FY 2014 Approved Budget to FY 2015 Proposed Budget, by Revenue Type

Table AT0-5 itemizes the changes by revenue type between the FY 2014 approved budget and the FY 2015 proposed budget.

**Table AT0-5**  
(dollars in thousands)

DESCRIPTION	PROGRAM	BUDGET	FTE
<b>LOCAL FUNDS: FY 2014 Approved Budget and FTE</b>		<b>106,743</b>	<b>839.9</b>
Removal of One-Time Funding	Multiple Programs	-2,000	0.0
Other CSFL Adjustments	Multiple Programs	5,461	0.0
<b>LOCAL FUNDS: FY 2015 Current Services Funding Level Budget (CSFL)</b>		<b>110,204</b>	<b>839.9</b>
Increase: To support additional FTEs	Multiple Programs	329	4.5
Increase: To align resources with operational goals	Tax Administration	223	0.0
Increase: To adjust personal services	Multiple Programs	78	0.0
Increase: To align Fringe Benefits budget with projected costs	Multiple Programs	57	0.0
Decrease: To streamline operational efficiency	Multiple Programs	-83	0.0
Decrease: To recognize savings from a reduction in FTEs	Multiple Programs	-295	-3.0
Decrease: To align resources with operational goals	Budget Development and Execution	-308	0.0
Technical Adjustment: To support SOAR replacement	Information Technology	1,700	0.0
<b>LOCAL FUNDS: FY 2015 Agency Budget Submission</b>		<b>111,904</b>	<b>841.4</b>
Enhance: Tax and Revenue Initiatives	Multiple Programs	2,473	33.0
Enhance: EITC Outreach Initiative	Tax Administration	150	0.0
<b>LOCAL FUNDS: FY 2015 Mayor’s Proposed Budget</b>		<b>114,528</b>	<b>874.4</b>
Transfer Out: To support EITC education grants to DMPED	Multiple Programs	-150	0.0
<b>LOCAL FUNDS: FY 2015 District’s Proposed Budget</b>		<b>114,378</b>	<b>874.4</b>

(Continued on next page)

**Table AT0-5 (Continued)**  
(dollars in thousands)

<b>DESCRIPTION</b>	<b>PROGRAM</b>	<b>BUDGET</b>	<b>FTE</b>
<b>FEDERAL GRANT FUNDS: FY 2014 Approved Budget and FTE</b>		<b>0</b>	<b>0.0</b>
Shift: To align budget with projected grant awards	Finance and Treasury	425	0.0
Increase: To align budget with projected grant awards	Finance and Treasury	100	0.0
<b>FEDERAL GRANT FUNDS: FY 2015 Agency Budget Submission</b>		<b>525</b>	<b>0.0</b>
No Change		0	0.0
<b>FEDERAL GRANT FUNDS: FY 2015 Mayor's Proposed Budget</b>		<b>525</b>	<b>0.0</b>
No Change		0	0.0
<b>FEDERAL GRANT FUNDS: FY 2015 District's Proposed Budget</b>		<b>525</b>	<b>0.0</b>
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Approved Budget and FTE</b>		<b>24,387</b>	<b>44.0</b>
Increase: To align budget with projected revenues	Finance and Treasury	11,085	0.0
Increase: To align budget with projected revenues	Tax Administration	8,224	0.0
Increase: To adjust personal services	Multiple Programs	205	0.0
Decrease: To align budget with projected revenues	Multiple Programs	-4	0.0
Decrease: To align Fringe Benefits budget with projected costs	Multiple Programs	-71	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2015 Agency Budget Submission</b>		<b>43,826</b>	<b>44.0</b>
No Change		0	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2015 Mayor's Proposed Budget</b>		<b>43,826</b>	<b>44.0</b>
No Change		0	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2015 District's Proposed Budget</b>		<b>43,826</b>	<b>44.0</b>
<b>INTRA-DISTRICT FUNDS: FY 2014 Approved Budget and FTE</b>		<b>7,851</b>	<b>43.1</b>
Increase: To support additional FTEs	Multiple Programs	309	2.5
Decrease: To align resources with operational goals	Multiple Programs	-14	0.0
Decrease: To align Fringe Benefits budget with projected costs	Multiple Programs	-34	0.0
Decrease: To recognize savings from a reduction in FTEs	Multiple Programs	-68	-2.0
Shift: To align budget with projected grant awards	Finance and Treasury	-425	0.0
<b>INTRA-DISTRICT FUNDS: FY 2015 Agency Budget Submission</b>		<b>7,619</b>	<b>43.6</b>
No Change		0	0.0
<b>INTRA-DISTRICT FUNDS: FY 2015 Mayor's Proposed Budget</b>		<b>7,619</b>	<b>43.6</b>
No Change		0	0.0
<b>INTRA-DISTRICT FUNDS: FY 2015 District's Proposed Budget</b>		<b>7,619</b>	<b>43.6</b>
<b>Gross for AT0 - Office of the Chief Financial Officer</b>		<b>166,348</b>	<b>962.0</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)