

# (AT0) OFFICE OF CHIEF FINANCIAL OFFICER

## **MISSION**

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.

## **BACKGROUND**

In accordance with the independent status of the District's Chief Financial Officer, the OCFO exercises independent control and management oversight over the District's financial systems, including SOAR, ITS, CFOSolve, and all other related and subsidiary systems. The OCFO is charged with the responsibility for maintaining and operating the District's independent financial systems to support the Mayor, the Council, and Congress. In recognition of the need to limit capital borrowing and curtail the increase in the overall level of Debt Service, the OCFO has made the commitment to maintain the current approved funding level.

## **CAPITAL PROGRAM OBJECTIVES**

The OCFO maintains the integrity and reliability of the District's financial systems by maintaining appropriate "arms length" relationships with program staff along with assuring that systems modifications are transparent and auditable. This is accomplished by ensuring the financial systems can be maintained and supported by the OCFO workforce. This is core knowledge and cannot be either outsourced or entrusted to either outside vendors or other parts of the government.

## **RECENT ACCOMPLISHMENTS**

Highlights of our achievements include the District receiving and maintaining the first AAA rating the major rating agencies, the unprecedented 10th year budget surplus, and the Comprehensive Annual Financial Report (CAFR) submitted with an unqualified opinion.

**Elements on this page of the Agency Summary include:**

- **Funding Tables:** Past budget allotments shows the allotment balance, calculated as allotments received to date less all obligations (the sum of expenditures, encumbrances, intra-District advances and pre-encumbrances). Agencies are allowed to encumber and pre-encumber funds up to the limit of a capital project's budget authority, which might be higher than allotments received to date. For this reason, a negative balance on a project sheet does not necessarily indicate overspending or an anti-deficiency violation. A negative balance is permitted in this calculation of remaining allotment authority.
- **Additional Appropriations Data (\$000):** Provides a summary of the budget authority over the life of the project. The table can be read as follows:
  - **Original 6-Year Budget Authority:** Represents the sum of the 6-year authority for all agency-owned projects, as shown in the first year they were authorized. The complete set of these projects may or may not be represented in this FY 2011 - FY 2016 CIP.
  - **Budget Authority Thru FY 2015 :** Represents the lifetime budget authority, including the 6 year budget authority for FY 2010 through 2015 .
  - **FY 2010 Budget Authority Revisions:** Represents the changes to the budget authority as a result of reprogramming, redirections and rescissions (also reflected in Appendix F) for the current fiscal year.
  - **6-Year Budget Authority Thru 2015 :** This is the total 6-year authority for FY 2010 through FY 2015 including changes from the current fiscal year.
  - **Budget Authority Request for 2011 Through 2016:** Represents the 6 year budget authority for 2011 Through 2016.
  - **Increase (Decrease) to 6-Year Authority:** This is the change in 6 year budget authority requested for FY represents the change in 6 year budget authority requested for FY 2011 - FY 2016. (also reflected in Appendix A).
- **Facility Location Map:** For those agencies with facilities projects, a map reflecting projects and their geographic location within the District of Columbia.

(Dollars in Thousands)

Funding By Phase - Prior Funding						Proposed Funding						
Phase	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Yr Total
(01) Design	21,950	21,748	4	0	198	0	0	0	0	0	0	0
(02) SITE	8,720	8,720	0	0	0	0	0	0	0	0	0	0
(03) Project Management	15,226	15,226	0	0	0	0	0	0	0	0	0	0
(04) Construction	25,072	21,326	0	0	3,746	0	0	0	0	0	0	0
(05) Equipment	236,010	218,921	2,911	587	13,591	4,200	3,600	0	800	0	1,200	9,800
(06) IT Requirements Development/Systems Design	7,000	1,988	402	0	4,610	2,000	2,000	600	0	0	0	4,600
<b>TOTALS</b>	<b>313,978</b>	<b>287,929</b>	<b>3,317</b>	<b>587</b>	<b>22,145</b>	<b>6,200</b>	<b>5,600</b>	<b>600</b>	<b>800</b>	<b>0</b>	<b>1,200</b>	<b>14,400</b>

Funding By Source - Prior Funding						Proposed Funding						
Source	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Yr Total
GO Bonds - New (0300)	289,110	268,992	2,247	3	17,868	5,000	5,000	600	0	0	0	10,600
Equipment Lease (0302)	7,100	4,099	23	584	2,394	1,200	600	0	800	0	1,200	3,800
Alternative Financing (0303)	17,768	14,837	1,048	0	1,883	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>313,978</b>	<b>287,929</b>	<b>3,317</b>	<b>587</b>	<b>22,145</b>	<b>6,200</b>	<b>5,600</b>	<b>600</b>	<b>800</b>	<b>0</b>	<b>1,200</b>	<b>14,400</b>

Additional Appropriation Data	
First Appropriation FY	1998
Original 6-Year Budget Authority (\$000)	190,425
Budget Authority Thru FY 2010 (\$000)	324,818
FY 2010 Budget Authority Changes	
ABC Transfers to SA311C	-133
Reprogramming	-707
Current FY 2010 Budget Authority (\$000)	323,978
Budget Authority Request for FY 2011 (\$000)	328,378
Increase (Decrease) to Total Authority (\$000)	4,400

Estimated Operating Impact							
Expenditure (+) or Cost Reduction (-)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Year Total
No estimated operating impact							

## AT0-BF301- SOAR MODERNIZATION

**Agency:** OFFICE OF CHIEF FINANCIAL OFFICER (AT0)  
**Implementing Agency:** OFFICE OF CHIEF FINANCIAL OFFICER (AT0)  
**Project No:** BF301  
**Ward:**  
**Location:** DISTRICT-WIDE  
**Facility Name or Identifier:** N/A  
**Status:** Under design  
**Useful Life of the Project:** 10+  
**Estimated Full Funding Cost:** \$15,000,000

### Description:

This project will implement major enhancements and improvements to the District's General Ledger System by replacing and modernizing key components of the current R-STARS system with a modern web-based system utilizing industry best practices.

### Justification:

The project will achieve a full system upgrade of all major components of the District's General Ledger system. The current District General Ledger system is based on 20 year old technology. Supporting this technology is becoming ever more complicated since the resources and skill-sets needed to support a mainframe based system are not easily available. Moreover, the current General Ledger system lacks functionality found in modern systems necessary to support real-time financial management and allow the OCFO to provide greater integration with other key District systems such as the cash management system, budgeting systems, Human Resources and Payroll systems, and the tax systems.

### Progress Assessment:

The project budget was first allotted in FY 2007. Currently, all requirements assessment activities have been completed. The District is currently evaluating implementation vendors and conducting business process analysis activities. The project is currently on-schedule.

Milestone Data	Projected	Actual
<b>Environmental Approvals</b>		
<b>Design Start (FY)</b>		
<b>Design Complete (FY)</b>	03/30/2011	03/30/2011
<b>Construction Start (FY)</b>	09/30/2011	
<b>Construction Complete (FY)</b>	07/30/2012	
<b>Closeout (FY)</b>	09/30/2012	

### Related Projects:

All core financial systems in the District are tightly integrated and interrelated. The OCFO is in the process of modernizing and implementing all core financial systems to bring these systems in line with current industry trends and District stakeholder needs

(Dollars in Thousands)

Funding By Phase - Prior Funding						Proposed Funding						
Phase	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Yr Total
(05) Equipment	9,836	437	947	0	8,452	3,000	3,000	0	0	0	0	6,000
<b>TOTALS</b>	<b>9,836</b>	<b>437</b>	<b>947</b>	<b>0</b>	<b>8,452</b>	<b>3,000</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,000</b>

Funding By Source - Prior Funding						Proposed Funding						
Source	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Yr Total
GO Bonds - New (0300)	9,836	437	947	0	8,452	3,000	3,000	0	0	0	0	6,000
<b>TOTALS</b>	<b>9,836</b>	<b>437</b>	<b>947</b>	<b>0</b>	<b>8,452</b>	<b>3,000</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,000</b>

### Additional Appropriation Data

First Appropriation FY	2007
Original 6-Year Budget Authority (\$000)	20,000
Budget Authority Thru FY 2010 (\$000)	12,836
FY 2010 Budget Authority Changes	0
Current FY 2010 Budget Authority (\$000)	12,836
Budget Authority Request for FY 2011 (\$000)	15,836
Increase (Decrease) to Total Authority (\$000)	3,000

### Estimated Operating Impact

Expenditure (+) or Cost Reduction (-)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Year Total
No estimated operating impact							

# AT0-CSP08-INTEGRATED TAX SYSTEM MODERNIZATION

**Agency:** OFFICE OF CHIEF FINANCIAL OFFICER (AT0)  
**Implementing Agency:** OFFICE OF CHIEF FINANCIAL OFFICER (AT0)  
**Project No:** CSP08  
**Ward:**  
**Location:** DISTRICT-WIDE  
**Facility Name or Identifier:** N/A  
**Status:** Developing scope of work  
**Useful Life of the Project:** 15+  
**Estimated Full Funding Cost:** \$10,000,000

## Description:

This project will completely modernize and refine the District's tax systems to bring them in line with industry best practices and add new functionality in the areas of compliance, collections, case management and individual, business and property tax collection, processing and accounting. The tax system modernization will be achieved in stages to replace individual components starting with the case management module, real property system, and eventually the core tax management system.

## Justification:

The first phase is to replace the real property tax module, to address and reduce the risk of fraud and mismanagement by leveraging superior internal controls and industry best practices implemented in the replacement system. In addition, the new case management system will provide intelligent case analytics, review, and analysis abilities that will result in increased tax compliance and collections, resulting in increased revenues.

## Progress Assessment:

The project is currently in the planning phase and high-level designs of all the different projects within the modernization initiative are being developed. The District's project manager for this effort has been hired. Currently, requirements are being collected for the case management and real property tax system modules.

## Related Projects:

The OCFO is modernizing and implementing all core financial systems to bring these systems in line with current industry trends and District stakeholder needs, including SOAR (General Ledger), ITS (Tax System), cashiering, Unified Financial Reporting, customer service, budget, and Collection/Reconciliation.

(Dollars in Thousands)

Milestone Data	Projected	Actual
<b>Environmental Approvals</b>		
<b>Design Start (FY)</b>	01/01/2009	
<b>Design Complete (FY)</b>	01/01/2010	01/01/2010
<b>Construction Start (FY)</b>	06/01/2010	
<b>Construction Complete (FY)</b>	07/30/2010	
<b>Closeout (FY)</b>	07/30/2012	

Funding By Phase - Prior Funding						Proposed Funding						
Phase	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Yr Total
(06) IT Requirements Development/Systems Design	3,000	353	190	0	2,457	2,000	2,000	600	0	0	0	4,600
<b>TOTALS</b>	<b>3,000</b>	<b>353</b>	<b>190</b>	<b>0</b>	<b>2,457</b>	<b>2,000</b>	<b>2,000</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,600</b>

Funding By Source - Prior Funding						Proposed Funding						
Source	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Yr Total
GO Bonds - New (0300)	3,000	353	190	0	2,457	2,000	2,000	600	0	0	0	4,600
<b>TOTALS</b>	<b>3,000</b>	<b>353</b>	<b>190</b>	<b>0</b>	<b>2,457</b>	<b>2,000</b>	<b>2,000</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,600</b>

Additional Appropriation Data	
First Appropriation FY	2007
Original 6-Year Budget Authority (\$000)	10,000
Budget Authority Thru FY 2010 (\$000)	5,000
FY 2010 Budget Authority Changes	0
Current FY 2010 Budget Authority (\$000)	5,000
Budget Authority Request for FY 2011 (\$000)	7,600
Increase (Decrease) to Total Authority (\$000)	2,600

Estimated Operating Impact							
Expenditure (+) or Cost Reduction (-)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Year Total
No estimated operating impact							

## ELC-EQ940-MAJOR EQUIPMENT ACQUISITION

**Agency:** OFFICE OF CHIEF FINANCIAL OFFICER (AT0)  
**Implementing Agency:** EQUIPMENT LEASE - CAPITAL (ELC)  
**Project No:** EQ940  
**Ward:**  
**Location:** DISTRICT-WIDE  
**Facility Name or Identifier:** N/A  
**Status:** Ongoing Subprojects  
**Useful Life of the Project:** 10  
**Estimated Full Funding Cost:** \$0

### Description:

This project is for the master lease of major information technology equipment as a part of a normal technology refresh program. OCFO is replacing larger capital-intensive equipment such as high-speed printers and redundant servers on an ongoing basis. The procurement includes purchasing high-performance servers to accommodate next-generation financial systems, leveraging new technologies, and adding massive storage systems to accommodate high volumes of data and reporting. Tasks include replacing outdated equipment past its useful life, adding new servers to accommodate new systems, implementing SAN technology to provide flexible storage capacity, implementing best practices in managing infrastructure, implementing a web-based ticket tracking system, and implementing security hardware and software to ensure security of the District's financial information.

### Justification:

OCFO is replacing larger capital-intensive equipment such as high-speed printers and redundant servers on an ongoing basis. The procurement includes purchasing high-performance servers to accommodate next-generation financial systems, leveraging new technologies, and adding massive storage systems to accommodate high volumes of data and reporting.

### Progress Assessment:

This is an ongoing project and major equipment is being procured and deployed on an ongoing basis.

### Related Projects:

None.

Milestone Data	Projected	Actual
Environmental Approvals		
Design Start (FY)		
Design Complete (FY)		
Construction Start (FY)		
Construction Complete (FY)		
Closeout (FY)		

(Dollars in Thousands)

Funding By Phase - Prior Funding						Proposed Funding						
Phase	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Yr Total
(05) Equipment	5,100	3,945	23	584	548	1,200	600	0	800	0	1,200	3,800
<b>TOTALS</b>	<b>5,100</b>	<b>3,945</b>	<b>23</b>	<b>584</b>	<b>548</b>	<b>1,200</b>	<b>600</b>	<b>0</b>	<b>800</b>	<b>0</b>	<b>1,200</b>	<b>3,800</b>

Funding By Source - Prior Funding						Proposed Funding						
Source	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Yr Total
Equipment Lease (0302)	5,100	3,945	23	584	548	1,200	600	0	800	0	1,200	3,800
<b>TOTALS</b>	<b>5,100</b>	<b>3,945</b>	<b>23</b>	<b>584</b>	<b>548</b>	<b>1,200</b>	<b>600</b>	<b>0</b>	<b>800</b>	<b>0</b>	<b>1,200</b>	<b>3,800</b>

Additional Appropriation Data	
First Appropriation FY	2007
Original 6-Year Budget Authority (\$000)	8,100
Budget Authority Thru FY 2010 (\$000)	8,100
FY 2010 Budget Authority Changes	0
Current FY 2010 Budget Authority (\$000)	8,100
Budget Authority Request for FY 2011 (\$000)	8,900
Increase (Decrease) to Total Authority (\$000)	800

Estimated Operating Impact							
Expenditure (+) or Cost Reduction (-)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	6 Year Total
No estimated operating impact							