
Office of the Chief Financial Officer

www.cfo.dc.gov

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Description	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed	% Change from FY 2013
Operating Budget	\$113,166,781	\$136,512,769	\$137,888,329	1.0
FTEs	840.8	888.0	927.0	4.4

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 2014 proposed budget is presented in the following tables:

FY 2014 Proposed Gross Funds Operating Budget, by Revenue Type

Table AT0-1 contains the proposed FY 2014 agency budget compared to the FY 2013 approved budget. It also provides FY 2011 and FY 2012 actual expenditures.

Table AT0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
General Fund						
Local Funds	87,779	95,011	100,306	105,651	5,345	5.3
Special Purpose Revenue Funds	16,329	9,301	29,140	24,387	-4,753	-16.3
Total for General Fund	104,108	104,312	129,445	130,038	592	0.5
Federal Resources						
Federal Grant Funds	1,025	563	0	0	0	N/A
Total for Federal Resources	1,025	563	0	0	0	N/A
Private Funds						
Private Donations	18	0	0	0	0	N/A
Total for Private Funds	18	0	0	0	0	N/A
Intra-District Funds						
Intra-District Funds	7,731	8,292	7,067	7,851	783	11.1
Total for Intra-District Funds	7,731	8,292	7,067	7,851	783	11.1
Gross Funds	112,883	113,167	136,513	137,888	1,376	1.0

*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 2014 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2014 Proposed Full-Time Equivalents, by Revenue Type

Table AT0-2 contains the proposed FY 2014 FTE level compared to the FY 2013 approved FTE level by revenue type. It also provides FY 2011 and FY 2012 actual data.

Table AT0-2

Appropriated Fund	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change
General Fund						
Local Funds	719.6	753.6	805.5	839.9	34.4	4.3
Special Purpose Revenue Funds	138.4	29.8	44.0	44.0	0.0	0.0
Total for General Fund	858.0	783.4	849.5	883.9	34.4	4.0
Intra-District Funds						
Intra-District Funds	43.0	57.4	38.5	43.1	4.6	12.0
Total for Intra-District Funds	43.0	57.4	38.5	43.1	4.6	12.0
Total Proposed FTEs	900.9	840.8	888.0	927.0	39.0	4.4

FY 2014 Proposed Operating Budget, by Comptroller Source Group

Table AT0-3 contains the proposed FY 2014 budget at the Comptroller Source Group (object class) level compared to the FY 2013 approved budget. It also provides FY 2011 and FY 2012 actual expenditures.

Table AT0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
11 - Regular Pay - Continuing Full Time	65,709	66,567	70,158	73,404	3,246	4.6
12 - Regular Pay - Other	459	437	963	678	-285	-29.6
13 - Additional Gross Pay	686	828	0	51	51	N/A
14 - Fringe Benefits - Current Personnel	13,663	13,816	17,020	18,383	1,363	8.0
15 - Overtime Pay	204	430	25	25	0	0.0
Subtotal Personal Services (PS)	80,721	82,078	88,166	92,541	4,375	5.0
20 - Supplies and Materials	456	344	521	427	-95	-18.1
30 - Energy, Comm. and Building Rentals	-3	0	0	0	0	N/A
31 - Telephone, Telegraph, Telegram, Etc.	43	58	0	0	0	N/A
40 - Other Services and Charges	6,473	5,666	8,379	8,875	496	5.9
41 - Contractual Services - Other	24,686	24,337	38,802	35,330	-3,472	-8.9
70 - Equipment and Equipment Rental	507	685	645	715	70	10.9
Subtotal Nonpersonal Services (NPS)	32,162	31,089	48,347	45,347	-3,000	-6.2
Gross Funds	112,883	113,167	136,513	137,888	1,376	1.0

*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 7 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 (OFOS) 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 ascertained by 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 facilitates to decision-makers;
- **Financial Policy 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;
- **Accounting Systems Management/Functional Integration** – provides training and expert assistance on the automated accounting system, which follows Generally Accepted Accounting Principles, for the central OCFO cluster employees and agency financial staff to improve the daily recordings of accounting transactions and the reporting of financial position within each agency by activity;
- **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. The functions of the Accounting Systems Management/Functional Integration unit have merged into the Financial Control and Reporting unit. However, the budgets of these two activities are represented separately; and
- **Payroll Disbursements and Wage Reporting** – provides a record of compensation and related payments to District employees with accurate and timely paychecks.

Budget Development and Execution – provides for the preparation, monitoring, analysis, and execution of 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 expenditure forecasts.

This program contains the following 4 activities:

- **Executive Direction and Support** – provides general program management, leadership, technical assistance, and support services to the Office of Budget and Planning (OBP) 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. It also provides citizens with information on District finances;
- **Financial Planning and Analysis** – provides monitoring and analysis of the District’s budget and expenditures; including spending pressures; staffing for the District’s Anti-Deficiency Board, and guidance, development and coordination of the District’s Financial Review Process; budget modification process; intra-District fund transfer process; and other reporting functions;
- **Operating Budget Formulation and Development** – provides for the formulation and execution processes of the District’s annual operating budget, as well as other financial and budgetary services, to the Mayor and Council on a timely and accurate basis enabling District officials to make informed decisions on allocations of the District operating resources among policy priorities; and
- **Capital Budget Formulation and Development** – provides detailed reviews of available capital financing and aligns such financing with the District’s annual capital funds budget authority, 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.

Research 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, the monthly Cash Report of District tax collections and, in FY 2010, a system for the overall tracking of the American Recovery and Reinvestment Act of 2010 (ARRA).

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. EDF provides guidance on changes in development policy options and long-term financial expectations. EDF coordinates with ORA to provide fiscal impact analyses on proposed tax-supported financings, land transfers, and economic development projects. EDF represents the OCFO on the boards of the Washington Convention and Sports Authority and Destination D.C.

This program contains the following 5 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;
- **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 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 have timely and quality information for policy formulation and decision-making.

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 to 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 the development and distribution of public tax forms, support of 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 (IT) – 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, and 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.

Office of Finance and Treasury (OFT) – 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 6 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;
- **Asset Management** – provides for the management of the District-run pension plans, college savings plan, and unclaimed property;
- **Disbursement Management** – provides check-printing and disbursement services for District agencies so that they can fulfill their payment obligations; and
- **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.

Office of Integrity and Oversight (OIO) – 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, OIO 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 2014 proposed budget.

FY 2014 Proposed Operating Budget and FTEs, by Program and Activity

Table AT0-4 contains the proposed FY 2014 budget by program and activity compared to the FY 2013 approved budget. It also provides the FY 2012 actual data.

Table AT0-4

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013
(1000) Agency Management Program								
(1010) Personnel	1,374	1,610	1,656	46	13.0	14.0	14.0	0.0
(1015) Training and Employee Development	562	564	555	-9	3.8	4.0	4.0	0.0
(1020) Contracting and Procurement	1,845	1,180	1,190	11	10.1	11.0	11.0	0.0
(1030) Property Management	798	764	782	18	8.7	9.0	9.0	0.0
(1060) Legal Services	1,989	2,069	2,092	23	12.3	14.0	14.0	0.0
(1080) Communications	167	184	186	2	1.0	1.0	1.0	0.0
(1090) Performance Management	1,167	1,344	1,446	102	7.5	8.0	8.0	0.0
Subtotal (1000) Agency Management Program	7,903	7,715	7,908	193	56.4	61.0	61.0	0.0
(100F) Agency Financial Operations								
(110F) Budget Operations	644	592	591	-1	5.1	4.0	4.0	0.0
(120F) Accounting Operations	418	388	397	9	3.8	4.0	4.0	0.0
Subtotal (100F) Agency Financial Operations	1,062	980	988	8	9.0	8.0	8.0	0.0
(2000) Financial Operations and Systems								
(2100) Operations and Administration	813	842	1,083	241	6.7	7.0	8.0	1.0
(2200) Accounting Operations	1,896	2,044	1,797	-247	17.3	18.0	17.0	-1.0
(2300) Financial Policies and Procedures	890	1,071	596	-475	7.7	8.0	4.0	-4.0
(2400) ASM/Functional Support	985	1,218	82	-1,136	8.7	9.0	0.0	-9.0
(2500) Financial Control and Reporting	955	1,041	3,282	2,241	7.7	8.0	25.0	17.0
(2600) Benefits Administration	810	783	1,143	359	8.5	8.0	9.0	1.0
(2700) Payroll Disbursements and Wage Reporting	3,723	4,174	4,751	577	36.5	34.0	34.0	0.0
(2800) Accounting Systems Administration	14	0	0	0	0.0	0.0	0.0	0.0
Subtotal (2000) Financial Operations and Systems	10,087	11,173	12,733	1,561	93.1	92.0	97.0	5.0
(3000) Budget Development and Execution								
(3100) Executive Direction and Support	1,620	1,873	1,830	-43	11.6	12.0	12.0	0.0
(3200) Financial and Policy Analysis	203	0	0	0	0.0	0.0	0.0	0.0
(3400) Financial Planning and Analysis	267	781	795	14	2.9	3.0	3.0	0.0
(3700) Operating Budget Formulation and Development	2,147	2,513	2,612	99	21.2	22.0	22.0	0.0
(3800) Capital Budget Formulation and Development	645	651	637	-14	4.8	5.0	5.0	0.0
Subtotal (3000) Budget Development and Execution	4,883	5,818	5,874	56	40.4	42.0	42.0	0.0

(Continued on next page)

Table ATO-4 (Continued)

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013
(4000) Research and Analysis								
(4100) Executive Direction and Support	517	644	636	-7	2.9	3.0	3.0	0.0
(4200) Financial Data Quality Assurance	188	908	0	-908	0.0	0.0	0.0	0.0
(4300) Revenue Estimation	1,024	1,119	1,020	-99	8.7	9.0	8.0	-1.0
(4500) Economic Development	650	805	903	98	3.8	5.0	5.0	0.0
(4700) Legislative and Fiscal Analysis	572	608	730	123	4.8	5.0	6.0	1.0
(4800) Economic Affairs	536	622	624	2	3.8	4.0	4.0	0.0
Subtotal (4000) Research and Analysis	3,487	4,705	3,913	-791	24.1	26.0	26.0	0.0
(5000) Tax Administration								
(5100) Executive Direction and Support	3,393	4,663	5,764	1,101	18.3	20.0	20.0	0.0
(5200) External Customer Service Information	6,895	7,270	7,508	237	74.5	81.0	82.0	1.0
(5300) Recorder of Deeds	1,889	2,692	2,982	289	22.2	22.0	21.0	-1.0
(5400) Real Property Tax Administration	7,530	8,339	10,117	1,778	74.2	81.0	92.0	11.0
(5500) Tax Audits and Investigations	8,377	8,912	9,276	364	83.6	89.0	94.0	5.0
(5600) Revenue Accounting	1,892	2,287	1,716	-571	16.1	18.0	16.0	-2.0
(5700) Receipts and Delinquent Collections	13,540	25,225	20,145	-5,080	163.7	170.0	186.0	16.0
Subtotal (5000) Tax Administration	43,515	59,388	57,507	-1,881	452.5	481.0	511.0	30.0
(6000) Information Technology								
(6100) Information Technology Support	24,693	21,081	21,418	336	74.9	78.0	78.0	0.0
Subtotal (6000) Information Technology	24,693	21,081	21,418	336	74.9	78.0	78.0	0.0
(7000) Finance and Treasury								
(7100) Executive Direction and Support	897	915	793	-122	4.8	5.0	5.0	0.0
(7200) Debt Management	700	796	952	156	4.3	5.0	5.0	0.0
(7300) Cash Management and Investments	4,757	9,182	11,221	2,039	7.7	16.0	16.0	0.0
(7400) Disbursements	1,986	2,813	2,308	-505	9.6	8.0	8.0	0.0
(7500) Cash Receipts and Accounting	2,900	3,228	3,577	349	34.3	32.0	36.0	4.0
(7600) Asset Management for Special Programs	2,496	4,321	4,264	-57	9.7	13.0	13.0	0.0
Subtotal (7000) Finance and Treasury	13,738	21,254	23,115	1,861	70.4	79.0	83.0	4.0
(8000) Integrity and Oversight								
(8100) Audit Services	2,712	3,054	3,069	15	11.6	12.0	12.0	0.0
(8200) Security Integrity Oversight	355	562	585	23	2.9	3.0	3.0	0.0
(8300) Investigations	732	782	777	-5	5.6	6.0	6.0	0.0
Subtotal (8000) Integrity and Oversight	3,799	4,399	4,432	33	20.0	21.0	21.0	0.0
Total Proposed Operating Budget	113,167	136,513	137,888	1,376	840.8	888.0	927.0	39.0

(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 2014 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2014 Proposed Budget Changes

The Office of the Chief Financial Officer's (OCFO) proposed FY 2014 gross budget is \$137,888,329, which represents a 1.0 percent increase over its FY 2013 approved gross budget of \$136,512,769. The budget is comprised of \$105,651,108 in Local funds, \$24,386,665 in Special Purpose Revenue funds, and \$7,850,556 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 2013 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 initial adjustments in the budget proposal represent changes that should be compared to the FY 2014 CSFL budget and not necessarily changes made to the FY 2013 Local funds budget. The FY 2014 CSFL adjustments to the FY 2013 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 2014 CSFL budget is \$100,596,599, which represents a \$290,801, or 0.3 percent, increase over the FY 2013 approved Local funds budget of \$100,305,798.

Major CSFL Cost Drivers

The FY 2014 CSFL calculated for OCFO included the removal of a total of \$1,508,000 in one-time funding. This amount is comprised of \$808,000 that was used to continue the compliance provisions of the Tax Revision Commission Establishment Act, and \$700,000 that was used to support the operational costs related to the Credit Card Merchant Payment Reporting initiative in FY 2013.

The FY 2014 CSFL calculated for OCFO included an adjustment entry that is not described in detail on table 5. This adjustment was made for an increase of \$652,777 in personal services to account for the Fringe Benefit growth rate adjustment of 4.2 percent year-over-year, and \$844,650 in nonpersonal services, based on the Consumer Price Index factor of 2.4 percent. In addition, this adjustment contains an increase of \$301,374 to account for the processing of District-issued purchase cards. During the development of the CSFL, some adjustments such as these were categorized as "other adjustments".

Agency Budget Submission

Increase: The OCFO Local funds budget includes an increase of \$414,989 and 0.4 FTE to support miscellaneous changes in salaries and positions, which include salary steps and the conversion of some positions from part-time to full-time status. An increase in Fringe Benefits costs totaling \$35,239 reflect adjustments made to salaries and align the budget with historical spending. Also, an increase of \$31,790 represents adjustments to office supplies, specialized furniture, and equipment costs.

In Special Purpose Revenue funds, the OCFO's Finance and Treasury program reflects an increase of \$1,475,862 to primarily support Contractual Services costs related to improvement to its unclaimed property disposition system.

In Intra-District funds, an increase of \$616,502 in the Financial Operations and Systems program reflects higher office administration and support costs. An increase of \$439,653 and 4.6 FTEs reflects additional positions in the Finance and Treasury and Financial Operations and Systems programs; minor position changes in the Tax Administration program; and salary, step and Fringe Benefits adjustments. An increase of \$25,000 in the Financial Operations and Systems program supports the purchase of office equipment. Lastly, OCFO office supplies and other administrative items increased by \$10,039.

Decrease: In Local funds, the OCFO decreased its budget by \$355,311 due to Contractual Services savings across several programs. In addition, the agency budget decreased by \$126,708 reflecting a reduction in professional services, adjustments to office supplies, furniture, and equipment costs.

Estimated collections in Special Purpose Revenue funds are lower, particularly in the Tax Collection Fees fund. This reduction is reflected in several programs, but specifically in the Tax Administration program, which proposes a reduction of \$6,376,608 in related contracts. Across several programs, net salary, step, and Fringe Benefits savings, as well as the elimination of vacant positions, resulted in a decrease of \$180,474. Agency-wide, the budget decreased by \$114,427 due to Supply and Equipment savings. Lastly, the budget also reflects a decrease of \$10,954 due to office support savings.

In Intra-District funds, the OCFO's Finance and Treasury program budget reflects savings of \$308,000 in Contractual Services due to lower Electronic Benefits Transfer (EBT) card processing costs.

Mayor's Proposed Budget

Cost of Living Adjustment: This agency received a proposed cost of living adjustment (COLA) in both Local and non-Local funds. This adjustment includes \$133,655 in Special Purpose Revenue funds, and Intra-District funds may be impacted. For more information about the Local funds portion of the COLA, please see the Workforce Investments chapter contained in Volume 3 (Agency Budget Chapters – Part II) of the FY 2014 Proposed Budget and Financial Plan.

Increase: In Local funds, the agency's budget increased by \$1,750,000 in the Tax Administration program to support Enhanced Income Tax Matching (One-Time), which will augment the Integrated Tax System to automated taxpayers notification and to develop an automated, online payment function to allow for recurring direct debit of bank accounts for individuals on a payment plan. The agency's budget increased in the Tax Administration program by \$1,159,322 and 11.0 FTEs as a result of the findings of an Office of the Inspector General audit of the Real Property Assessment Division. The budget includes the expansion of property valuation modeling, more regular updates to property tax records, and additional staffing to support commercial assessments.

The budget for the Financial Operations and Systems program increased by \$570,515 and 4.0 FTEs to augment the Centralized Capital Assets Management Unit. The Tax Administration program increased its budget by \$409,715 and 6.0 FTEs to create the Automated and Federal Revenue Initiatives Unit, which will support the review of taxpayer accounts, correspondence, and adjustments in the Integrated Tax System. The budget increased by \$295,544 and 3.0 FTEs in the Tax Administration program to allow for enhanced fraud detection services. The budget will support a Forensic Accountant, a database programmer, and a staff assistant to ensure that the Revenue Accounting Administration and Refund Control Unit continue performing robust fraud detection. The budget increased by \$273,143 and 4.0 FTEs to implement the Recovery of Unpaid Taxes via Credit Card Reporting Requirement. This initiative included 4.0 FTEs in FY 2013 Approved Budget to implement the recovery of unpaid sales taxes using sales data reported by credit card merchants beginning in the middle of that year. The budget will add an additional 4.0 FTEs to make the initiative fully operational.

The Tax Administration program's budget increased by \$262,770 and 5.0 FTEs to reduce backlogs within the Returns Processing Administration. Related to the Real Property Assessment Division, a total of \$250,000 supports real property appraiser certification (One-Time). The budget for the Tax Administration program increased by \$83,500 and 1.0 FTE to allow the use of standard enforcement tools to collect delinquent amounts from payers of the Ballpark Fee. The fee is collected from businesses within the District with over \$5,000,000 in gross receipts. In Special Purpose Revenue funds, the Finance and Treasury program increased by \$320,000 to support the Central Collections Unit as it collects delinquent debts associated with the United Medical Center.

FY 2013 Approved Budget to FY 2014 Proposed Budget, by Revenue Type

Table AT0-5 itemizes the changes by revenue type between the FY 2013 approved budget and the FY 2014 proposed budget.

Table AT0-5

(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2013 Approved Budget and FTE		100,306	805.5
Removal of One-Time Funding	Multiple Programs	-1,508	0.0
Other CSFL Adjustments	Multiple Programs	1,799	0.0
LOCAL FUNDS: FY 2014 Current Services Funding Level Budget (CSFL)		100,597	805.5
Decrease: Other Services and Charges adjustments	Multiple Programs	-127	0.0
Increase: Fringe Benefit adjustments	Multiple Programs	35	0.0
Increase: Supplies and Equipment changes	Multiple Programs	32	0.0
Increase: Salary and step adjustments	Multiple Programs	415	0.4
Decrease: Miscellaneous Contractual Services savings	Multiple Programs	-355	0.0
LOCAL FUNDS: FY 2014 Agency Budget Submission		100,597	805.9
Increase: Enhanced income tax matching (One-Time)	Tax Administration	1,750	0.0
Increase: Real Property Tax Assessment Division	Tax Administration	1,159	11.0
Increase: Centralized Capital Assets Management	Financial Operations and Systems	571	4.0
Increase: Automated and Federal Revenue Initiatives	Tax Administration	410	6.0
Increase: Enhanced fraud detection	Tax Administration	296	3.0
Increase: Recovery of unpaid taxes via credit card reporting requirement	Tax Administration	273	4.0
Increase: Returns Processing Administration backlog mitigation	Tax Administration	263	5.0
Increase: Real Property Tax Assessment Division (One-Time)	Tax Administration	250	0.0
Increase: Expanded enforcement of Ballpark Fee	Tax Administration	84	1.0
LOCAL FUNDS: FY 2014 Mayor's Proposed Budget		105,651	839.9
SPECIAL PURPOSE REVENUE FUNDS: FY 2013 Approved Budget and FTE		29,140	44.0
Increase: Contractual Services adjustments	Finance and Treasury	1,476	0.0
Decrease: Contractual Services savings	Tax Administration	-6,377	0.0
Decrease: Salary, step and Fringe Benefit adjustments	Multiple Programs	-180	0.0
Decrease: Supply and Equipment savings	Multiple Programs	-114	0.0
Decrease: Office Administration savings	Multiple Programs	-11	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Agency Budget Submission		23,933	44.0
Increase: Collections for delinquent debt	Finance and Treasury	320	0.0
Cost of Living Adjustment: FY 2014 proposed adjustment	Multiple Programs	134	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Mayor's Proposed Budget		24,387	44.0

(Continued on next page)

Table ATO-5 (Continued)

(dollars in thousands)

	PROGRAM	BUDGET	FTE
INTRA-DISTRICT FUNDS: FY 2013 Approved Budget and FTE		7,067	38.5
Increase: Other Services and Changes	Financial Operations and Systems	617	0.0
Increase: Salary, step and Fringe adjustments	Multiple Programs	440	4.6
Increase: Office equipment costs	Financial Operations and Systems	25	0.0
Increase: Supply costs	Multiple Programs	10	0.0
Decrease: Electronic Benefit Transfer contract savings	Finance and Treasury	-308	0.0
INTRA-DISTRICT FUNDS: FY 2014 Agency Budget Submission		7,851	43.1
No Changes		0	0.0
INTRA-DISTRICT FUNDS: FY 2014 Mayor's Proposed Budget		7,851	43.1
Gross for ATO - Office of the Chief Financial Officer		137,888	927.0

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