

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SALARIES AND EXPENSES, HOUSING AND URBAN DEVELOPMENT
BUDGET ACTIVITY 9: CHIEF FINANCIAL OFFICER

SCOPE OF ACTIVITY

The mission of the Office of the Chief Financial Officer (CFO) is to lead the Department's Headquarters and Field Office officials toward the understanding and practice of sound financial management in program development and operations, and in the stewardship of public resources. The CFO advises the Secretary on all aspects of financial management. The CFO ensures that the Department establishes and meets financial management goals and objectives, and that the Department is in compliance with financial management legislation and directives. The scope of activity cross-cuts the entire Department. The CFO is responsible for the preparation, justification and monitoring of the Department's annual budget. In addition, the CFO establishes policies and standards for development, maintenance, operation and evaluation of the Department's financial management systems, including: budget and accounting systems, internal control systems, financial reporting systems, asset and credit management systems, and systems to audit compliance with financial management and related requirements. The CFO also provides accounting services for administrative and operating activities of the Department. The CFO also has responsibility for overseeing the Departmental implementation of the Government Performance and Results Act (GPRA), including the annual strategic plan and the annual performance management plan.

WORKLOAD

The workload of the Office of the Chief Financial Officer is essentially defined by the following key objectives:

- prepare, justify, and monitor the annual budget;
- prepare, justify, and monitor the annual strategic plan;
- prepare, justify, and monitor the annual performance plan;
- establish and maintain integrated financial management systems;
- improve Departmental management of asset and credit management functions;
- develop a strong internal control program that effectively addresses material weaknesses and reportable conditions in the Department;
- produce audited consolidated financial statements;
- develop uniform financial management policies and procedures; and
- process all accounting transactions and payments.

Workload elements for accounting operations under the CFO Office of Accounting and in the Field are quantified in the following table.

<u>WORKLOAD INDICATOR</u>	2000	2001	2002
Invoices.....	99,278	99,278	99,278
Disbursement documents processed.....	9,000	9,000	9,000
Collection documents processed.....	37,000	37,000	37,000
Excess Rental Income Collections.....	105,951	105,951	105,951
Debt Collections.....	200	200	200
Automated Clearing House Reports.....	200	200	200
Reconciliations processed.....	3,904	3,904	3,904
Cash Reconciliation analyses.....	168	168	168
Note histories processed.....	250	200	200
Funding documents processed.....	7,709	7,709	7,709
Receivables processed.....	3,309	3,309	3,309
Cash documents processed.....	5,721	5,721	5,721
Reservations/Obligations.....	....	....	....
Internal reports processed.....	3,231	3,231	3,231
Financial reports (Treasury) prepared.....	3,400	3,400	3,400
Accounting Center documents processed.....	901,000	901,000	901,000
Prompt Pay documents processed.....	6,000	6,000	6,000
Suspense items processed.....	500	500	500

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Workload elements for the Audit Resolution and Management Control operations in the Department are quantified in the following table:

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Recommendations closed.....	950	900	900
Weaknesses verified as corrected.....	3	5	2

TRAVEL

The table below identifies travel requirements unique to this activity.

	ACTUAL 2000	BUDGET ESTIMATE 2001	CURRENT ESTIMATE 2001	ESTIMATE 2002	INCREASE + DECREASE - 2002 vs 2001
(Dollars in Thousands)					
Travel (HQ)	\$199	\$200	\$254	\$254	....
Travel (Field)	\$36	\$50	\$63	\$63	....
Total.....	\$235	\$250	\$317	\$317	....

Travel funding for this activity is required to fully carry out CFO responsibilities for improving Departmental financial management. CFO travel will focus attention on program delivery operations at the field office level and will provide oversight and review for: asset and credit management; debt collection; resolution of audit findings and internal control weaknesses; and test and establish internal controls.

A major initiative of the Office of the CFO is to establish financial management skills and expertise in the field through the Field Accounting Center. This will allow the Assistant CFO for Accounting to provide policy direction, review and coordination of the fiscal and accounting responsibilities of the Department.

CONTRACTS

	ACTUAL 2000	BUDGET ESTIMATE 2001	CURRENT ESTIMATE 2001	ESTIMATE 2002	INCREASE + DECREASE - 2002 vs 2001
(Dollars in Thousands)					
Management Studies	\$9,045	\$2,204	\$2,912	\$2,912	....
Technical Services	\$2,938	\$716	\$946	\$946	....
General Support	\$497	\$120	\$160	\$160	....
Training Contracts, Non-Fed Emp.	\$242	\$60	\$77	\$77	....
Total.....	\$12,722	\$3,100	\$4,095	\$4,095	....

Management Studies. The continued development and implementation of an exemplary system of program internal controls, material weakness verification reviews, integration of financial management information systems, contracting for cost accounting services, analysis for accounting processes and procedures, reporting on cash and credit management, resource allocation and estimation process (REAP) and credit reform guidelines will be accomplished through contract services. Also included are all contract costs associated with HUD's SuperNOFA process.

Technical Services. These funds are for specialized technical support within the CFO. For example, Technical Services funds will be used to support the following:

- National Science Foundation (NSF), in which the Department has a Memorandum of Agreement (MOA) authorizing fiscal year payments for FinanceNet Services that support the independent public Internet network and is operated by the NSF as the electronic document clearinghouse of the Joint Financial Management Improvement Program;
- The provision of technical support necessary for implementation of the Resource Estimation and Allocation Process as required by HUD 2020 MRP. The methodology will base estimates and allocations on the level of work and where it is to be performed.
- Professional Software Consortium, Inc., which provides the CFO with an annual maintenance agreement and software upgrade(s) for the Civilian PCS Program for the Department's National Relocation Center;
- Financial Systems Integration (FSI) Project, in which contractor support will be required for data conversion "clean-up";
- Imaging Disbursement and Collection Documents, which provide imaging services for the Department's Excess Rental Income, Section 235 and Section 236 programs; and

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- Cooperative Administrative Support Unit, which provides staff for the Fort Worth Accounting Center's mailroom.

General Support Services:

- Executive Personnel Services, Inc., provides temporary clerical and accounting support for the organization whenever critical vacancies or exigencies occur.