

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
ADMINISTRATIVE SUPPORT OFFICES  
OFFICE OF THE CHIEF FINANCIAL OFFICER**

*(Dollars in Thousands)*

	<b>FY 2018 Actuals</b>	<b>FY 2019 Annualized CR</b>	<b>FY 2020 President's Budget</b>
<b>Personnel Services</b>			
Personnel Services	\$27,407	\$31,411	\$34,508
Common Distributable	6,040	7,000	7,000
<b>Personnel Services Subtotal</b>	<b>\$33,447</b>	<b>\$38,411</b>	<b>\$41,508</b>
<b>Non-Personnel Services</b>			
Travel	153	150	150
Printing	12	46	46
Other services/Contracts	18,921	10,023	28,805
Training	183	195	195
Supplies	52	45	45
<b>Non-Personnel Services Subtotal</b>	<b>\$19,321</b>	<b>\$10,459</b>	<b>\$29,241</b>
Working Capital Fund	3,443	3,330	3,251
<b>Grand Total</b>	<b>\$56,211</b>	<b>\$52,200</b>	<b>\$74,000</b>
<b>Associated FTEs</b>	<b>169</b>	<b>194</b>	<b>211</b>

**1. Program Purpose and Budget Overview**

The Office of the Chief Financial Officer (OCFO) provides HUD-wide leadership to support HUD’s mission through sound financial management in programs and operations. OCFO leads HUD in practicing financial integrity, financial responsibility, accountability, and stewardship of public resources. While advising the Secretary and HUD leadership on all aspects of financial management and budget, OCFO works to ensure that HUD meets established financial management goals and complies with pertinent legislation and

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directives. In addition, OCFO analyzes budgetary implications of policy and legislative proposals and oversees budget activities throughout HUD.

The 2020 President's Budget of \$74 million is \$21.8 million more than the 2019 Annualized Continuing Resolution (CR) level. OCFO's 2020 Budget requests \$20 million to advance a Financial Transformation Initiative to remediate material weaknesses and significant deficiencies in the financial statements and improve the financial framework in order to support optimal outcomes for HUD's mission. This will be accomplished through consistent, strong financial management and internal controls across HUD; transparent, accurate, and timely financial reporting; best shared practices; and continued focus on building and sustaining HUD's core workforce in Budget, Accounting, Systems, and Financial Management. HUD's operation has outgrown its infrastructure (e.g., people, process, and technology) to a point where the operations are now at risk. Resources provided in the 2020 Budget will help OCFO invest in people, process, and technology to mitigate such risk.

**Personnel Services (PS)**: OCFO requests \$34.5 million to support an estimate of 211 full-time equivalents (FTEs), an increase of \$3.1 million and 17 FTEs from the 2019 Annualized CR level. This increase supports the realignment of 21 FTEs from the Office of Business Transformation (OBT) to OCFO. It is offset by the realignment of 3 FTEs from OCFO's Appropriations Liaison Division to the Congressional and Intergovernmental Relations Office as well as 1 FTE realigned to OCIO in support of Executive Order 13833.

**Common Distributable (CD)**: OCFO requests \$7 million to support its CD payments for professional liability insurance, workers' compensation, and unemployment compensation, which is level with the 2019 Annualized CR.

**Non-Personnel Services (NPS)**: OCFO requests \$29.2 million to support funding requirements for Travel, Printing, Contracts/Other Services, and Training and Supplies. Of this amount, \$20 million will support CFO's Financial Transformation. Funding for Travel, Printing, and Training and Supplies will remain level with 2019 Annualized CR funding.

**Working Capital Fund (WCF)**: OCFO requests \$3.3 million for its allocation toward the WCF for shared services, which is a slight decrease of \$79 thousand from the 2019 Annualized CR.

## 2. Key Operational Initiatives

- **Financial Transformation**: OCFO's efforts will transform HUD's current operating environment into a workplace where people work collaboratively with well-designed processes and technology to achieve financial reporting excellence. OCFO is working toward transforming its business operations to excellence through cultivating a work environment where people can excel in a

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collaborative environment; revamp and develop well-designed processes for delivery and accountability; and develop technology that delivers accurate data timely to achieve compliant financial reporting. In addition, it will strengthen HUD's financial management through: 1) Advancing financial operations by developing forward-leaning improvements, programs, and tools that resolve findings and weaknesses and achieve compliance; 2) Delivering effective financial integrity by developing Department-wide financial policies and procedures and an improper payment program; 3) Resolving audit findings and improving operations; and 4) Strengthening financial assurance by developing an effective financial audit resolution, internal control, and risk (including fraud) programs.

- Reorganization: OCFO is proposing to reshape its workforce to align with its evolving mission through a reorganization. The proposed reorganization is in the initial phase of obtaining relevant information. Through the proposed reorganization, OCFO will revise current function statements to encompass new and revised functions; streamline offices for efficiency and collaboration on closely related tasks; and develop a new organization to realign skill sets internal and external to OCFO.

In addition, OCFO will absorb the Office of Business Transformation's performance, strategic planning, and grants management functions. The performance and strategic planning functions will be incorporated into the Office of Budget. The grants management functions will be incorporated into CFO Systems. These realignments will better support the implementation and execution of the CFO's Financial Transformation Plan. In addition, in FY 2018, the Chief Risk Officer was moved back under the CFO's direction for oversight of HUD's Enterprise Risk Management.