

D&CP – BUREAU OF RESOURCE MANAGEMENT

Resource Summary

(\\$ in thousands)

Appropriations	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Positions	357	368	372	4
Funds	121,844	140,795	147,488	6,693

Program Description

The Bureau of Resource Management (RM), led by the Assistant Secretary for Resource Management and the Chief Financial Officer, administers and oversees the Department's strategic and performance planning, budgeting, global financial services, and financial management functions. Core activities include: strategic and performance planning; budget formulation and execution for State Department programs and operations; financial reporting; accounting; payroll; and financial services to missions overseas, including other U.S. government agencies. The Department now manages domestic and overseas financial operations for approximately 260 posts at the Global Financial Service center in Charleston, South Carolina, with a supporting financial services center in Bangkok, Thailand.

RM provides strategic and performance planning, budget formulation and execution and world-class financial services to serve the Department and its posts, which operate in approximately 260 locations in 172 countries and transact business in over 150 currencies. RM serves nearly 100,000 customers, including more than 40 U.S. Government agencies in every corner of the world, twenty-four hours a day, seven days a week.

The Bureau has four primary financial priorities:

- Request, allocate, and execute financial resources
- Report on, account for, and analyze use of resources
- Link resource requirements to priorities and planning
- Increase the strength and capability of the Department's financial management team

RM works closely with counterparts in OMB, Congress, DOD, USAID, Treasury, and other foreign affairs agencies to secure the needed resources to advance U.S. foreign policy priorities. The Bureau formulates State Operations budgets that fund the Administration's foreign policy objectives, and coordinates with the Office of the Director of Foreign Assistance to ensure the integration of State Operations resource requests with Foreign Assistance requests, resulting in an integrated budget submission to OMB and the Congress. Integration of budget and performance provides the Department's leadership with the information needed to make informed performance-based resource decisions.

RM will continue to serve the Department and meet the needs of its domestic and international customers by leveraging best business practices and electronic technologies. While modernizing major corporate financial management systems and consolidating financial operations, RM is adopting new technologies to improve and reengineer business processes. RM is proactive in career development of the financial management staff and ensures that the staff's skills are utilized effectively to achieve corporate financial management objectives.

RM's focused efforts for FY 2011 will be to:

- Work effectively with Congress to secure the requested resources;

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- Identify cost-effective solutions to emergent requirements, including crosscutting budget issues;
- Improve strategic planning processes throughout the Department, in collaboration with USAID, and at overseas missions, with a more robust capability to evaluate program effectiveness and outcomes, and develop better and more measured performance;
- Continue developing superior financial systems, reporting and analysis capabilities;
- Improve interagency coordination of resources, especially through ICASS, the Interagency Resources Planning Office, and the Office of Strategic and Performance Planning;
- Continue standardizing and centralizing financial operations, where proven effective; and
- Continue to increase RM capacity as the Home Bureau for financial management activities and personnel across the Department.
- Continue to improve our ability to meet financial audit and external reporting requirements.

Performance

A timely payment indicator was chosen to reflect the critical need to maintain cash flow in the International Cooperative Administrative Support Services (ICASS) Working Capital Fund (WCF). A training satisfaction indicator was chosen because the ability of customers and service providers to understand and carry out their responsibilities under ICASS is critical to its success in support of the larger diplomatic mission overseas.

STRATEGIC GOAL: STRENGTHENING CONSULAR AND MANAGEMENT CAPABILITIES						
Strategic Priority	Planning and Accountability					
Bureau Goal	Interagency Planning/Coordination Supports Department and Other-Agency Strategic Goals					
Indicator	NEW INDICATOR: Quality of ICASS system measured by: percentage of invoiced amounts received in first 90 days of fiscal year; average customer satisfaction rating for the Post Specific Training workshops; average customer satisfaction rating for the Management Officer/Council Chair (MO/CC) workshops.					
FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
N/A	N/A	95.6 percent; 4.35 PST; 4.22 MO/CC [Baseline]	95 percent; 4.22 PST; 3.27MO/CC	95 percent; 4.5 PST; 4.2 MO/CC	95 percent; 4.5 PST; 4.2 MO/CC	95 percent; 4.5 PST; 4.2 MO/CC
New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating	◁▷ Improved But Not Met			
Steps to Improve	The ICASS Service Center has undertaken an overhaul of the training program, changing both the format and content to focus even more on post-specific data and issues. The new format is being “beta tested” by two senior trainers at two posts this summer, and will be launched in FY 2010.					
Impact	Collections at or above target ensures a well-capitalized ICASS Working Capital fund with little or no danger of cash flow issues manifesting as a negative Treasury cash balance in any one month. Training goals survey are aggressive as they exceed 4.0, or 80 percent satisfaction baseline threshold used as a benchmark in surveys of this type. Long-term impact of training is difficult to assess.					
Methodology	Indicator was chosen to reflect critical need to maintain cash flow in ICASS WCF. Training satisfaction indicator was chosen because the ability of customers and service providers to understand and carry out their responsibilities under ICASS is critical to its success in support of larger diplomatic mission overseas.					
Data Source and Quality	Data on receipts is from Accounts Receivable staff at GFS-Charleston. Data on training is from surveys conducted by RM/ICASS staff at the time training is delivered. The data on receipts is reliable. The Bureau received timely feedback on training employees to use the official accounting system.					

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Transparency and accountability in financial reporting is a core competency of world-class finance organizations. This indicator demonstrates that Department financial information is used on a day-to-day basis to obtain the best performance and ensure accountability to the American public. Timely and transparent financial statements also support the Department's ability to obtain budgetary resources, and recruit and retain quality staff.

PLEASE NOTE: Due to the timing of when the audit findings are delivered, the FY 2009 Result refers to audit findings for 2008.

STRATEGIC GOAL: STRENGTHENING CONSULAR AND MANAGEMENT CAPABILITIES						
Strategic Priority	Planning and Accountability					
Bureau Goal	World-Class Financial Services Support Accountability and Transparency					
Indicator	NEW INDICATOR: Agency Financial Report is issued on-time with an unqualified Statement of Assurance on Internal Controls Over Financial Reporting; financial statements achieve an unqualified audit opinion.					
FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
N/A	N/A	No	Yes	Yes	Yes	Yes
New Indicator, No Rating	New Indicator, No Rating	▼ Below Target	◀▶ On Target			
Impact	The FY 2009 results refers to the 2008 audit. As evident by this result, the Department knows where each dollar originates and where it is spent in a timely and accurate manner.					
Methodology	A review of annual financial statements by an independent auditor is based on standard federal auditing procedures required by the CFO Act. Determination of the fiscal year result is based on a review of the independent auditor's report on annual financial statements and the Annual Statement of Assurance recommended by the Management Control Steering Committee and signed by The Secretary.					
Data Source and Quality	Annual Agency Financial Report, Independent Auditor's Report, Office of Inspector General Reports, minutes from Senior Assessment Team and Management Control Steering Committee meetings. The Data Quality Assessment revealed no significant data limitations.					

The measure is the cumulative result of 83 performance metrics reviewed on a monthly basis, across all corporate financial services. The metrics are a key and integrated part of the Office of Global Financial Services' (GFS) ISO-9001 Quality Management System (QMS).

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STRATEGIC GOAL: STRENGTHENING CONSULAR AND MANAGEMENT CAPABILITIES						
Strategic Priority	Planning and Accountability					
Bureau Goal	Indicator is a department level measure and was developed outside of bureau strategic planning process					
Indicator	Quality of the Department's financial services as measured by the percentage of aggressive monthly ISO 9001 performance metric goals met or exceeded for the Department's core financial operations.					
FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
N/A	60 percent [Baseline]	68 percent ◀▶ On Target	88 percent ▲ Above Target	70 percent	75 percent	80 percent
Reason for Exceeding Target	The above target rating was the result of a dedicated focus on continuous improvement and the use of monthly metrics to drive performance management. The current 83 monthly measures that comprise the overall quality rating will be revised, where appropriate, to more aggressively measure performance and drive continuous improvement of operations. Out-year targets remain unchanged.					
Impact	Impacts the quality, accuracy, effectiveness, timeliness, and overall customer satisfaction for the Department's corporate financial services.					
Methodology	ISO 9001 standards are set by the International Organization for Standardization and available at http://www.iso.org/ .					
Data Source and Quality	Monthly ISO 9001 certified Quality Management System key metrics for all GFS financial operations and customer satisfaction surveys. The Data Quality Assessment revealed no significant data limitations.					

Justification of Request

The Department's FY 2011 request for the Bureau of Resource Management of \$147.5 million includes increases to maintain current services and support key initiatives. An increase of \$1.6 million for domestic inflation, pay raises for a base staffing level of 368 and locally engaged staff wage increases maintains the FY 2010 level of activity. An increase of \$5.1 million, including 4 positions is requested to improve financial audit and reporting compliance, rebuild and integrate budget systems, continue to expand the centralization of back-office financial transactional processing from overseas posts, provide a digital imaging for the Department's payroll records, and support the expansion of the Special Representative Office.

Audited Financial Statement / Improved Compliance: \$2,500,000, including 4 positions

A request for \$2.5 million and 4 positions will provide the resources to stabilize and maintain critical financial statement data for audit liaison and audit preparation activities. In addition to improving the timeliness and integrity of the financial statement data, the financial system work should eliminate reported material weaknesses in internal controls, allowing core financial management personnel, including all Financial Management Officers in the Department, to play a higher value-added and location-specific financial management role. In addition, over the next several years, a number of new Federal accounting standards will become effective, which will need to be implemented in RM systems and throughout its statement preparation, audit liaison, and financial processes. The auditors will be required to review the Department's implementation of these new standards, including whether the Department's financial systems comply with the new standards.

ICASS Budget System Re-build and Central Resource Management System / Budget Resource Management System (CRMS/BRMS): \$1,384,000

The request includes \$1.3 million to rebuild the ICASS budgeting system and upgrade the

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Department's budgeting system. The ICASS budget system needs to be re-built to keep pace with changing automation capabilities and to provide improved links to new Department financial systems. Web ICASS facilitates the Department's operations of shared administrative services platform at overseas post for all agencies. The ICASS investment goals include improving information management and financial reporting efficiencies and effectiveness. This includes the introduction of greater flexibility and efficiency in budget formulation and tracking performance, as well as the development of automated tools to perform budget validation through automated checklists and exception reporting.

CRMS/BRMS was funded at \$1.1 million in FY 2010 to enhance the integration of the budget system with the Global Financial Management Systems within the Department. The Department's central budgeting system requires upgrades to enable efficient fulfillment of budget execution and Congressional Budget Justification requirements. Within the next several years the legacy components which are outmoded and inefficient and where all Department funding originates, will not function.

Post Support Unit (PSU) Phase II Expansion: \$300,000

A new request of \$300,000 supports the one-time costs of Phase II Expansion of the GFS Post Support Unit (PSU) global operation. Recurring costs for PSU, including FSN salaries and operating costs, will be recouped through service level agreements with bureaus and posts. This one-time funding request is an essential corporate investment in the infrastructure needed, including equipment and space, to support the next phase of this successful and cost-effective financial processing platform for posts.

Imaging of Payroll Files: \$450,000

An increase of \$450,000 above the FY 2010 level of \$922,000 is for imaging of payroll files to replace over 27,500 active and inactive American Pay employee records equating to over 3.5 million paper pages. Moving to a paperless work environment for the Department's American payroll will directly result in improvements to the efficiency of payroll document and process management as well as decrease the need for large amounts of space to be dedicated to paper file storage. The funding requested will complete the project started in FY 2010.

Special Representative – Global Partnership Office Funding: \$421,000

New funding of \$421,000 is for the Special Representative of the Global Partnership Initiative. The funds will enable expansion for the office of the Special Representative to the Secretary, and implement the Secretary's priority for public-private partnerships; provide for the development of the Secretary's on-the-ground partnership objectives; and build new lasting relationships. The funds will further provide for technical assistance to Embassies, Bureaus and Offices, and to fund innovative partnerships at all levels throughout the Department. With dedicated funding available for foreign policy priorities, particularly those dealing with economic growth, the Department will be able to increase the quantity and quality of partnerships and bring external technology, innovation and creativity to diplomatic and development efforts. The funding will also be used to leverage private sector partner contributions and develop sustainable public-private partnerships that enhance the Department's diplomatic mission.

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Resource Summary

	Positions				Funds (\$ in thousands)		
	American		FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
	Domestic	Overseas					
FY 2009 Actual	357	0	0	357	70,376	51,468	121,844
FY 2010 Estimate	368	0	0	368	87,769	53,026	140,795
FY 2011 Built-in Changes							
Annualization of FY 2010 COLA	0	0	0	0	172	234	406
Domestic Inflation	0	0	0	0	211	0	211
FY 2011 American COLA	0	0	0	0	686	288	974
Locally Engaged Staff Wage Increases	0	0	0	0	47	0	47
Total Built-in Changes	0	0	0	0	1,116	522	1,638
FY 2011 Current Services	368	0	0	368	88,885	53,548	142,433
FY 2011 Program Changes							
Special Representative - Global Partnership Office Funding	0	0	0	0	421	0	421
Audited Financial Statement/Improved Compliance	4	0	0	4	2,280	220	2,500
Post Support Unit (PSU) Phase II Expansion	0	0	0	0	300	0	300
CRMS/BRMS	0	0	0	0	184	0	184
ICASS Web Re-build	0	0	0	0	1,200	0	1,200
Image American Payroll Files	0	0	0	0	450	0	450
Total Program Changes	4	0	0	4	4,835	220	5,055
FY 2011 Request	372	0	0	372	93,720	53,768	147,488

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Staff by Program Activity (positions)

Bureau of Resource Management	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Domestic Administrative Support	280	290	298	8
Domestic Administrative Management	11	11	11	0
Domestic Financial Services	264	274	282	8
Domestic Personnel Services	5	5	5	0
Information Resource Management	37	38	34	(4)
Corporate Information Systems and Services	35	36	32	(4)
Infrastructure Systems	2	2	2	0
Overseas Program Support	30	30	30	0
Overseas Financial Services	30	30	30	0
Policy Formulation	10	10	10	0
Bureau Direction	10	10	10	0
Total	357	368	372	4

Funds by Program Activity (\$ in thousands)

Bureau of Resource Management	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Domestic Administrative Support	30,871	31,868	36,337	4,469
Domestic Administrative Management	8,873	12,196	12,236	40
Domestic Financial Services	21,647	19,310	23,739	4,429
Domestic Personnel Services	351	362	362	0
Information Resource Management	30,378	47,697	51,079	3,382
Corporate Information Systems and Services	30,155	47,467	50,849	3,382
Infrastructure Systems	223	230	230	0
Overseas Program Support	40,547	42,902	42,942	40
International Cooperative Administrative Support Services (ICASS)	22,781	25,446	25,945	499
Overseas Administrative Management	300	300	300	0
Overseas Financial Services	17,466	17,156	16,697	(459)
Policy Formulation	20,048	18,328	17,130	(1,198)
Bureau Direction	20,048	18,328	17,130	(1,198)
Total	121,844	140,795	147,488	6,693

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Program Activities

Department Of State	Positions			Funds (\$ in thousands)			
	American		FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
	Domestic	Overseas					
Domestic Administrative Support	298	0	0	298	16,418	19,919	36,337
Domestic Administrative Management	11	0	0	11	9,883	2,353	12,236
Domestic Financial Services	282	0	0	282	6,535	17,204	23,739
Domestic Personnel Services	5	0	0	5	0	362	362
Information Resource Management	34	0	0	34	35,762	15,317	51,079
Corporate Information Systems and Services	32	0	0	32	35,762	15,087	50,849
Infrastructure Systems	2	0	0	2	0	230	230
Overseas Program Support	30	0	0	30	25,657	17,285	42,942
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	16,595	9,350	25,945
Overseas Administrative Management	0	0	0	0	300	0	300
Overseas Financial Services	30	0	0	30	8,762	7,935	16,697
Policy Formulation	10	0	0	10	15,883	1,247	17,130
Bureau Direction	10	0	0	10	15,883	1,247	17,130
Total	372	0	0	372	93,720	53,768	147,488

Staff by Domestic Organization Unit (positions)

Bureau of Resource Management	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Chief Financial Officer (Comptroller)	8	12	12	0
Deputy Assistant Secretary for Budget & Planning	48	58	58	0
Deputy Assistant Secretary for Financial Services	170	161	163	2
Deputy Assistant Secretary for Strategic and Program Planning	9	10	10	0
Deputy Chief Financial Officer	81	86	88	2
Executive Office	34	34	34	0
Intelligence Resource Planning	7	7	7	0
Total	357	368	372	4

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Funds by Domestic Organization Unit (\$ in thousands)

Bureau of Resource Management	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Chief Financial Officer (Comptroller)	3,182	3,336	3,421	85
Deputy Assistant Secretary for Budget & Planning	7,012	9,866	10,399	533
Deputy Assistant Secretary for Financial Services	49,457	53,026	53,886	860
Deputy Assistant Secretary for Strategic and Program Planning	2,108	3,214	3,330	116
Deputy Chief Financial Officer	37,555	49,738	53,906	4,168
Executive Office	20,766	19,804	20,719	915
Intelligence Resource Planning	1,764	1,811	1,827	16
Total	121,844	140,795	147,488	6,693

Funds by Object Class (\$ in thousands)

Bureau of Resource Management	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
1100 Personnel Compensation	35,205	37,435	36,959	(476)
1200 Personnel Benefits	23,383	22,924	24,142	1,218
2100 Travel & Trans of Persons	1,333	1,283	1,383	100
2200 Transportation of Things	10	10	10	0
2300 Rents, Comm & Utilities	7,829	7,509	7,559	50
2400 Printing & Reproduction	862	862	912	50
2500 Other Services	51,698	67,149	72,689	5,540
2600 Supplies and Materials	347	347	407	60
3100 Personal Property	1,177	3,276	3,427	151
Total	121,844	140,795	147,488	6,693