

D&CP – BUREAU OF RESOURCE MANAGEMENT

Resource Summary (\$ in thousands)

Appropriations	FY 2010 Actual	FY 2011 CR	FY 2012 Request
American Positions	560	560	562
Funds	145,835	146,135	145,482

Program Description

The Bureau of Resource Management (RM), led by 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 the Department's 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 270 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 and 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 and manage 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 U.S. Foreign Assistance to ensure the integration of State Operations resource requests with Foreign Operations 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 new 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 primary efforts for FY 2012 will include working effectively with Congress to secure the requested resources, and identifying cost-effective solutions to emergent requirements, including crosscutting

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budget issues. RM will improve strategic planning processes throughout the Department, in collaboration with USAID, and at overseas missions, by enabling a more robust capability to evaluate program effectiveness and outcomes, and develop better and more measured performance. RM will also continue to develop superior financial systems, reporting, and analysis capabilities. Department priorities for RM also include improved interagency coordination of resources, especially through ICASS, the Interagency Resources Planning Office, and the Office of Strategic and Performance Planning. These efforts will be made possible by continuing to standardize and centralize financial operations, where proven effective; and by continuing to increase RM capacity as the central bureau for financial management activities and personnel across the Department. Further, RM will serve a lead role in continuing to improve the Department's ability to meet financial audit and external reporting requirements.

Performance

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 2010 Result refers to audit findings for 2009.

STRATEGIC GOAL: STRENGTHENING CONSULAR AND MANAGEMENT CAPABILITIES						
Strategic Priority	Planning and Accountability					
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 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2010 Target	FY 2011 Target	FY 2012 Target
N/A	No	Yes	No	Yes	Yes	Yes
New Indicator, No Rating	▼ Below Target	◀▶ On Target	▼ Below Target			
Steps to Improve	DCFO is working across the Department to address weaknesses in property accountability and unliquidated obligations.					
Impact	Data Not Yet Available					
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.					

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

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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					
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 Management Officer/Council Chair (MO/CC) workshops (out of 5); percentage of posts that receive an "A" on their ICASS Budget Scorecard.					
FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2010 Target	FY 2011 Target	FY 2012 Target
N/A	95.6%; 4.35 MO/CC; 4.22%	95%; 3.27 MO/CC; 88.5%	99.9% ; 3.7 MO/CC; 87%	95%; 4.2 MO/CC; 90%	95%; 4.2 MO/CC; 95 %	95 %; 4.2 MO/CC; 95 %
New Indicator, No Rating	New Indicator, No Rating	◁▷ Improved But Not Met	◁▷ Improved But Not Met			
Steps to Improve	Materials will be targeted to fewer, but more experienced, officers and Council Chairs in the different regions. For the scorecard, change is caused by variation at 2 posts out of 165; overall score still very good, with effort to improve data integrity still judged successful.					
Impact	Improvement was shown on one indicator. Marginal declines are shown on the other two. The cash flow goal was met, with several months cushion against monthly cash outflow. MOCC scores were lower; and comments will help the Department improve some of the sessions. Results confirm an earlier indication that the Bureau needs to target materials to fewer, but more experienced officers and chairs in the different regions.					
Methodology	Indicator was chosen to reflect the critical need to maintain cash flow in ICASS WCF. The 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 and is reliable. Data on training is from surveys conducted by RM/ICASS staff at the time training is delivered. Training data sources are surveys completed at the time training is delivered. Assessments are based on objective criteria conducted by at least two SMEs.					

The measure is the cumulative result of more than 100 performance metrics reviewed on a monthly basis, across all corporate financial services and locations. The metrics are a key and integrated part of the Office of Global Financial Services' (GFS) ISO-9001:2008 certified Quality Management System (QMS).

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STRATEGIC GOAL: STRENGTHENING CONSULAR AND MANAGEMENT CAPABILITIES						
Strategic Priority	Planning and Accountability					
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 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2010 Target	FY 2011 Target	FY 2012 Target
60 percent [Baseline]	68 percent ◀▶ On Target	88 percent ▲ Above Target	77 percent ▲ Above Target	75 percent	80 percent	80 percent
Reason for Exceeding Target	RM's Global Financial services continues to aggressively set and manage its monthly performance metrics covering all corporate global financial services, as part of the GFS ISO-9001:2008 Quality Management System. Managers from GFS Charleston, Bangkok, Washington, and Paris review all measures with the GFS DAS on a monthly basis to discuss status and improvements.					
Impact	Meeting "Green" targets on more than 100 operational monthly performance metrics ensures that timely, accountable, and quality customer-focused accounting, disbursing, payroll, and other financial support services support the Department's mission-operations and other USG overseas customers.					
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 2012 request for the Bureau of Resource Management of \$145.482 million and 562 positions includes \$306,000 for domestic inflation. The request also reflects a decrease equal to \$1.972 million for administrative efficiencies.

This request includes two new positions for support in expanding RM’s financial systems. The positions will serve to integrate financial systems with the Department’s other management systems and to ensure that all of these management systems can provide a complete picture of data captured in each management area.

Base funding levels for RM also tie directly to Department performance targets. Under the Joint Financial Management System (JFMS) program, the Department is responsible for maintaining the global financial management platform that supports overseas and domestic worldwide financial management and reporting. The FY 2012 request supports required upgrades to the underlying common commercial off-the shelf (COTS) platform, further integration of Departmental systems, and continued improvements to global financial management capabilities.

Timely financial reporting and sound financial statements, as measured by publication of the Annual Financial Report and the audit opinion, are a proxy for the Department's stewardship of public funds. At the requested funding level, these funds will enable more effective financial controls and reporting consistent with FMFIA, OMB Circular A-123, and the CFO Act. This function has become increasingly complex as the Department expands its activities and increases the tempo of operations in crisis and

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conflict zones. Utilizing this request to bring the Department’s financial management systems in alignment with new financial standards will help ensure that the Department meets its FY 2012 performance target to receive an unqualified audit opinion, as it did in FY 2010.

The Department will maximize the impact of available resources by careful use of three interrelated processes: strategic planning, budgeting, and performance management. Strategic plans—informed by the Department’s policy priorities—provide guidance for the development of budgets and, ultimately, for operations. Sound performance management practices enable the Department to adjust strategy and budgets based on programmatic results and describe progress to Congress and to the public. In the last two years, the Department has made significant progress. The appointment of a Deputy Secretary of State for Management and Resources has enhanced coordination of the budgeting process, leading to the development of an integrated Department/USAID FY 2012 budget request. Earlier in the year, the Department and USAID launched a Streamlining Project to review current planning and reporting processes and develop recommendations to eliminate redundant requirements while maintaining the information necessary for more effective program management. Currently, the Streamlining Project Team is conducting in-depth interviews— both in Washington and in the field—of all users and preparers of State and USAID products. The information gathered from this effort will identify opportunities for significant improvements in efficiency and effectiveness.

The Quadrennial Diplomacy and Development Review (QDDR) also highlights five significant objectives that will be pursued by the Department: (1) elevate and improve strategic planning; (2) align budgets to planning; (3) create better monitoring and evaluation systems; (4) streamline and rationalize planning, budgeting, and performance management; and (5) further integrate the national security budgeting and planning process. Included in these objectives is the Department’s goal to work with USAID to plan effectively on a multi-year basis and to link agency, regional, country, and sector plans into a coherent whole using a whole-of-government approach to maximize efficiency and reduce duplication. In addition, the Department and USAID will ensure that budgets support strategic priorities.

The Department and USAID must strengthen the ways in which information is generated, used, and shared within diplomatic and assistance programs. Further, the Department and USAID will streamline and rationalize planning, budgeting, and performance management by establishing priorities, translating those priorities into budgets, and providing accountability. This effort will include filling gaps in current systems where planning is executed inconsistently across sectors, or where strategic planning is disconnected from budget formulation and evaluation. The Department and USAID are also committed to working with Congress, the Office of Management and Budget, the Department of Defense and other agencies to better align the elements of civilian and military programs that operate in synchronization.

Resource Summary

	Positions				Funds (\$ in thousands)			
	American			FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
	CS	FS Dom	Overseas					
FY 2010 Actual	524	12	24	0	560	89,560	56,275	145,835
FY 2011 CR	524	12	24	0	560	89,860	56,275	146,135
FY 2012 Built-in Changes								
Efficiency Savings	0	0	0	0	0	(1,972)	0	(1,972)

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	Positions				Funds (\$ in thousands)			
	American			FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
	CS	FS Dom	Overseas					
Domestic inflation	0	0	0	0	0	306	0	306
Total Built-in Changes	0	0	0	0	0	(1,666)	0	(1,666)
FY 2012 Current Services	524	12	24	0	560	88,194	56,275	144,469
FY 2012 Program Changes								
Consolidated Global Vouchering Support Costs - PSU	0	0	0	0	0	150	0	150
ICASS State Share - ICASS Web Rebuild - EX	0	0	0	0	0	300	0	300
ICASS State Share for ICASS Request - GFS	0	0	0	0	0	177	0	177
New Domestic Positions	2	0	0	0	2	134	252	386
Total Program Changes	2	0	0	0	2	761	252	1,013
FY 2012 Request	526	12	24	0	562	88,955	56,527	145,482

Staff by Program Activity (positions)

Bureau of Resource Management	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Domestic Administrative Support	476	466	466
Bureau Direction	10	0	0
Domestic Administrative Management	11	11	11
Domestic Financial Services	450	450	450
Domestic Personnel Services	5	5	5
Information Resource Management	42	42	44
Corporate Information Systems and Services	40	40	42
Infrastructure Systems	2	2	2
Overseas Program Support	42	42	42
Overseas Financial Services	42	42	42
Policy Formulation	0	10	10
Bureau Direction	0	10	10
Total	560	560	562

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Funds by Program Activity (\$ in thousands)

Bureau of Resource Management	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Domestic Administrative Support	46,215	45,517	45,109
Domestic Administrative Management	16,479	16,703	16,145
Domestic Financial Services	29,374	28,452	28,602
Domestic Personnel Services	362	362	362
Information Resource Management	51,568	51,568	51,920
Corporate Information Systems and Services	51,338	51,338	51,690
Infrastructure Systems	230	230	230
Overseas Program Support	34,485	34,933	34,336
International Cooperative Administrative Support Services (ICASS)	12,158	12,606	12,009
Overseas Administrative Management	3,442	3,442	3,442
Overseas Financial Services	18,885	18,885	18,885
Policy Formulation	13,567	14,117	14,117
Bureau Direction	13,567	14,117	14,117
Total	145,835	146,135	145,482

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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	442	24	0	466	23,939	21,170	45,109
Domestic Administrative Management	11	0	0	11	13,792	2,353	16,145
Domestic Financial Services	426	24	0	450	10,147	18,455	28,602
Domestic Personnel Services	5	0	0	5	0	362	362
Information Resource Management	44	0	0	44	35,095	16,825	51,920
Corporate Information Systems and Services	42	0	0	42	35,095	16,595	51,690
Infrastructure Systems	2	0	0	2	0	230	230
Overseas Program Support	42	0	0	42	17,051	17,285	34,336
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	2,659	9,350	12,009
Overseas Administrative Management	0	0	0	0	3,442	0	3,442
Overseas Financial Services	42	0	0	42	10,950	7,935	18,885
Policy Formulation	10	0	0	10	12,870	1,247	14,117
Bureau Direction	10	0	0	10	12,870	1,247	14,117
Total	538	24	0	562	88,955	56,527	145,482

Staff by Domestic Organization Unit (positions)

Bureau of Resource Management	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Chief Financial Officer (Comptroller)	14	14	14
Deputy Assistant Secretary for Budget & Planning	63	63	63
Deputy Assistant Secretary for Financial Services	328	328	328
Deputy Assistant Secretary for Strategic and Program Planning	17	17	17
Deputy Chief Financial Officer	92	92	94
Executive Office	34	34	34
Total	548	548	550

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Funds by Domestic Organization Unit (\$ in thousands)

Bureau of Resource Management	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Chief Financial Officer (Comptroller)	3,247	5,059	5,059
Deputy Assistant Secretary for Budget & Planning	9,942	9,942	9,942
Deputy Assistant Secretary for Financial Services	50,855	49,933	50,083
Deputy Assistant Secretary for Strategic and Program Planning	3,230	3,230	3,230
Deputy Chief Financial Officer	56,617	56,617	56,969
Executive Office	20,132	21,354	20,199
Intelligence Resource Planning	1,812	0	0
Total	145,835	146,135	145,482

Staff by Post (positions)

Bureau of Resource Management	FY 2010 Actual			FY 2011 CR			FY 2012 Request		
	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
FSC Bangkok	11	0	11	11	0	11	11	0	11
France, Paris	1	0	1	1	0	1	1	0	1
Total	12	0	12	12	0	12	12	0	12

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Funds by Object Class (\$ in thousands)

Bureau of Resource Management	FY 2010 Actual	FY 2011 CR	FY 2012 Request
1100 Personnel Compensation	39,611	38,639	38,278
1200 Personnel Benefits	23,997	24,969	25,594
2100 Travel & Trans of Persons	1,283	1,383	1,423
2200 Transportation of Things	10	10	11
2300 Rents, Comm & Utilities	7,509	7,559	7,559
2400 Printing & Reproduction	862	912	912
2500 Other Services	68,940	68,829	67,691
2600 Supplies and Materials	347	407	457
3100 Personal Property	3,276	3,427	3,557
Total	145,835	146,135	145,482