

# OFFICE OF FINANCE

The Honorable Richard D. Brown, Secretary of Finance



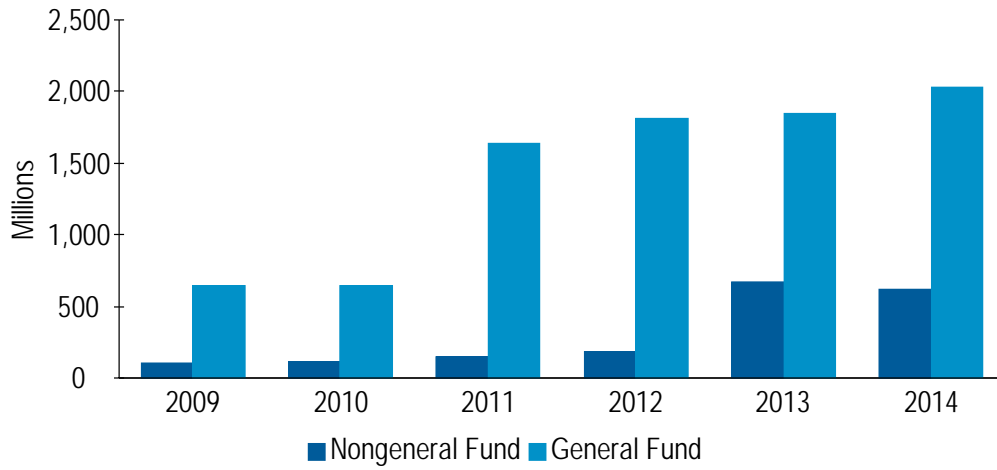
Finance agencies handle the financial transactions of the Commonwealth, from collecting taxes to paying the bills and distributing aid to localities. Responsibilities of Finance agencies include forecasting and collecting revenues, managing the Commonwealth’s cash and investments, selling bonds, training agency internal auditors, and preparing and executing the Commonwealth’s budget.



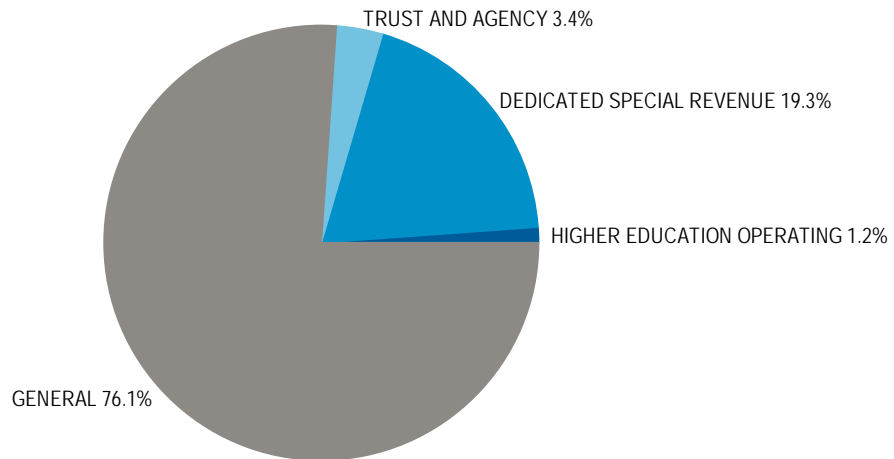
## Office of Finance Includes:

Secretary of Finance	Department of Taxation
Department of Accounts	Department of the Treasury
Department of Accounts Transfer Payments	Treasury Board
Department of Planning and Budget	

## Office of Finance Operating Budget History



## Financing of the Office of Finance\* Based on 2012-2014 Proposed Operating Budget \*Funds with totals less than 1% have not been included



## Secretary of Finance

Finance agencies handle the financial transactions of the Commonwealth, from collecting taxes to paying the bills and distributing aid to localities. Responsibilities of Finance agencies include forecasting and collecting revenues, managing the Commonwealth's cash and investments, selling bonds, training agency internal auditors, and preparing and executing the Commonwealth's budget.

### Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 657,466	\$ 0	\$ 626,885
2010 Appropriation	\$ 654,846	\$ 0	\$ 626,885
2011 Appropriation	\$ 420,423	\$ 0	\$ 411,882
2012 Appropriation	\$ 420,423	\$ 0	\$ 411,882
2013 Base Budget	\$ 424,910	\$ 0	\$ 403,853
2013 Addenda	\$ 0	\$ 0	\$ 0
2013 Total	\$ 424,910	\$ 0	\$ 403,853
2014 Base Budget	\$ 425,362	\$ 0	\$ 403,853
2014 Addenda	\$ 0	\$ 0	\$ 0
2014 Total	\$ 425,362	\$ 0	\$ 403,853

### Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	5.00	0.00	5.00
2010 Appropriation	5.00	0.00	5.00
2011 Appropriation	4.00	0.00	4.00
2012 Appropriation	4.00	0.00	4.00
2013 Base Budget	4.00	0.00	4.00
2013 Addenda	0.00	0.00	0.00
2013 Total	4.00	0.00	4.00
2014 Base Budget	4.00	0.00	4.00
2014 Addenda	0.00	0.00	0.00
2014 Total	4.00	0.00	4.00

## Department of Accounts

Provide a uniform system of accounting, financial reporting, and internal control adequate to protect and account for the Commonwealth's financial resources while supporting and enhancing the recognition of Virginia as the best managed state in the nation.

### Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 11,750,195	\$ 419,643	\$ 9,530,939
2010 Appropriation	\$ 9,540,644	\$ 419,643	\$ 9,703,563
2011 Appropriation	\$ 10,100,568	\$ 1,648,830	\$ 9,828,276
2012 Appropriation	\$ 9,998,542	\$ 1,852,882	\$ 9,930,302
2013 Base Budget	\$ 10,019,093	\$ 821,956	\$ 10,654,331
2013 Addenda	\$ 0	\$ 0	\$ 0
2013 Total	\$ 10,019,093	\$ 821,956	\$ 10,654,331
2014 Base Budget	\$ 10,028,160	\$ 821,956	\$ 10,654,331
2014 Addenda	\$ 819,538	\$ 0	\$ 821,538
2014 Total	\$ 10,847,698	\$ 821,956	\$ 11,475,869

### Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	122.00	3.00	125.00
2010 Appropriation	102.00	22.00	124.00
2011 Appropriation	102.00	22.00	124.00
2012 Appropriation	102.00	22.00	124.00
2013 Base Budget	100.00	32.00	132.00
2013 Addenda	0.00	6.00	6.00
2013 Total	100.00	38.00	138.00
2014 Base Budget	100.00	32.00	132.00
2014 Addenda	4.00	22.00	26.00
2014 Total	104.00	54.00	158.00

### Recommended Operating Budget Addenda

- **Adjust funding for changes in methodology for Oracle related charges**

Adjusts the agency's budget for the general fund share of the impact of VITA charges resulting from a planned change in the rates methodology as applied to Oracle specific costs effective July 1, 2013. Under the new methodology, Oracle costs will be charged directly to those few agencies with Oracle licenses rather than sharing the costs via standard server rates among the many agencies using the servers on which the Oracle software resides as is currently done.

	FY 2013	FY 2014
General Fund	\$ 0	\$ (5,575)

- **Provide funding and positions to support the required standard vendor database within Cardinal**

Provides the minimum staffing and funding needed to implement and maintain a standard vendor database within Cardinal. The database is being implemented in accordance with recommendations of the Auditor of Public Accounts and Item 260 B.2. of the 2012 Appropriation Act. The database will allow the Commonwealth to uniformly identify and report information on vendors with whom the state contracts. Additional staffing and funding will be needed in the next biennium to support increased standard vendor database work associated with the continuing implementation of Cardinal.

	FY 2013	FY 2014
General Fund	\$ 0	\$ 847,805
Authorized Positions	0.00	4.00

- **Provide positions and funding to support the implementation and maintenance of Cardinal**

Provides the minimum staffing and appropriation necessary to implement and maintain the new statewide enterprise financial management system, Cardinal. Implementation of Cardinal will happen simultaneously with continued operation of the state's current financial system, CARS. Additional staffing and funding will be needed in the next biennium to support increasing costs related to the continuing roll-out of Cardinal and maintenance of both Cardinal and CARS as more state agencies are brought online.

	FY 2013	FY 2014
General Fund	\$ 0	\$ 322,926
Nongeneral Fund	\$ 0	0
Authorized Positions	6.00	25.00

- **Provide sum sufficient appropriation for Time, Attendance, and Leave system**

Provides a sum sufficient appropriation for maintenance of the Department of Human Resource Management's new Time, Attendance, and Leave system. Agencies will be charged a fee for the ongoing operating costs of the system. Funding is included in Central Appropriations for the general fund portion of such charges.

- **Transfer three positions and associated funding to the newly-created Office of the Inspector General**

Transfers three positions and their associated general fund appropriation from the Department of Accounts to the newly-established Office of the Inspector General in accordance with Chapter 798 of the 2011 Acts of Assembly.

	FY 2013	FY 2014
General Fund	\$ 0	\$ (345,618)
Authorized Positions	0.00	-3.00

## Recommended Savings Addenda

- **Capture additional revenue from small purchase charge card rebates**

Aligns the revenue projections for rebates from the statewide use of small purchase charge cards with updated forecasts.

	FY 2013	FY 2014
Resources	\$ 1,500,000	\$ 1,500,000

## Department of Accounts Transfer Payments

Provide financial assistance to localities; and administer the Revenue Stabilization Fund, Virginia Education Loan Authority Reserve Fund, and the Line of Duty Act, the state flexible benefits program, and the personal property tax relief program.

## Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 76,667,430	\$ 72,591,775	\$ 0
2010 Appropriation	\$ 54,098,131	\$ 72,160,621	\$ 0
2011 Appropriation	\$ 986,405,000	\$ 31,299,518	\$ 188,000
2012 Appropriation	\$ 1,124,504,000	\$ 36,663,386	\$ 188,000
2013 Base Budget	\$ 1,130,828,650	\$ 598,265,529	\$ 306,102
2013 Addenda	\$ 1,220,000	\$ 0	\$ 0
2013 Total	\$ 1,132,048,650	\$ 598,265,529	\$ 306,102
2014 Base Budget	\$ 1,164,532,135	\$ 599,465,529	\$ 306,102
2014 Addenda	\$ 129,252,982	\$ (58,640,850)	\$ 0
2014 Total	\$ 1,293,785,117	\$ 540,824,679	\$ 306,102

## Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	0.00	0.00	0.00
2010 Appropriation	0.00	0.00	0.00
2011 Appropriation	0.00	0.00	0.00
2012 Appropriation	0.00	0.00	0.00
2013 Base Budget	0.00	1.00	1.00
2013 Addenda	0.00	0.00	0.00
2013 Total	0.00	1.00	1.00
2014 Base Budget	0.00	1.00	1.00
2014 Addenda	0.00	0.00	0.00
2014 Total	0.00	1.00	1.00

## Recommended Operating Budget Addenda

- **Adjust aid to locality distributions to comply with updated forecasts**

Adjusts the general fund sum sufficient appropriations in the Department of Accounts Transfer Payments holding account for updated forecasts of Rolling Stock Taxes and Tennessee Valley Authority Payments in Lieu of Taxes.

	FY 2013	FY 2014
General Fund	\$ 1,220,000	\$ 1,000,000

- **Adjust appropriation for distributions to reflect recently enacted legislation**

This amendment implements reorganizations approved by the General Assembly. The amendment transfers nongeneral fund appropriation for the Sales Tax on Fuel in Certain Transportation Districts from the Department of Accounts Transfer Payments (DOATP) to the Department of Motor Vehicles Transfer Payments (DMVTP); also, transfers nongeneral fund appropriation for financial assistance to localities for Enhanced Emergency Communications Services (the E-911 fee), from the Virginia Information Technologies Agency (VITA) to DOATP. Companion amendments are under VITA and DMVTP.

	FY 2013	FY 2014
Nongeneral Fund	\$ 0	\$ (58,640,850)

- **Provide additional funding for the 2014 Revenue Stabilization Fund deposit**

Provides additional funding for the 2014 Revenue Stabilization Fund deposit based on the mandatory deposit amount certified by the Auditor of Public Accounts.

	FY 2013	FY 2014
General Fund	\$ 0	\$ 78,252,982

- **Provide an advance deposit to the Revenue Stabilization Fund for an anticipated mandatory deposit in the 2014-2016 biennium**

Provides funding as a set-aside for an anticipated mandatory deposit to the Revenue Stabilization Fund in the 2014-2016 biennium.

	FY 2013	FY 2014
General Fund	\$ 0	\$ 50,000,000

## Department of Planning and Budget

The Department of Planning and Budget advises the Governor on how to wisely use public resources for the benefit of all Virginians by analyzing, developing, and carrying out various fiscal, programmatic, and regulatory policies.

## Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 7,332,818	\$ 250,000	\$ 6,551,905
2010 Appropriation	\$ 6,068,776	\$ 250,000	\$ 6,634,835
2011 Appropriation	\$ 6,689,566	\$ 250,000	\$ 5,372,868
2012 Appropriation	\$ 6,619,909	\$ 250,000	\$ 5,308,149
2013 Base Budget	\$ 6,849,898	\$ 250,000	\$ 5,479,184
2013 Addenda	\$ 0	\$ 0	\$ 0
2013 Total	\$ 6,849,898	\$ 250,000	\$ 5,479,184
2014 Base Budget	\$ 6,896,917	\$ 250,000	\$ 5,514,276
2014 Addenda	\$ (107,853)	\$ 50,000	\$ 0
2014 Total	\$ 6,789,064	\$ 300,000	\$ 5,514,276

## Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	67.00	2.00	69.00
2010 Appropriation	67.00	2.00	69.00
2011 Appropriation	67.00	2.00	69.00
2012 Appropriation	67.00	2.00	69.00
2013 Base Budget	67.00	2.00	69.00
2013 Addenda	0.00	0.00	0.00
2013 Total	67.00	2.00	69.00
2014 Base Budget	67.00	2.00	69.00
2014 Addenda	-4.00	0.00	-4.00
2014 Total	63.00	2.00	65.00

## Recommended Operating Budget Addenda

- **Adjust funding for changes in methodology for Oracle related charges**

Adjusts the agency's budget for the general fund share of the impact of VITA charges resulting from a planned change in the rates methodology as applied to Oracle specific costs effective July 1, 2013. Under the new methodology, Oracle costs will be charged directly to those few agencies with Oracle licenses rather than sharing the costs via standard server rates among the many agencies using the servers on which the Oracle software resides as is currently done.

	FY 2013	FY 2014
General Fund	\$ 0	\$ (7,853)

- **Eliminate nongeneral fund appropriation and positions for the Competition Council**

This amendment implements reorganizations approved by the General Assembly through Chapters 803 and 835 of the 2012 Acts of Assembly.

	FY 2013	FY 2014
Nongeneral Fund	\$ 0	\$ (250,000)
Authorized Positions	0.00	-2.00

- **Modify school efficiency review program to permit divisions to pay 100 percent of cost**

Modifies existing language to allow school divisions to pay 100 percent of the cost of a school efficiency review. This action also modifies the required local contribution for the review to be the greater of 50 percent of the cost to conduct the review or the local share of the cost based on the participating school division's composite index of local ability-to-pay.

	FY 2013	FY 2014
Nongeneral Fund	\$ 0	\$ 300,000

- **Realign positions to reflect accurate funding sources**

Realigns two positions in accordance with the appropriate revenue sources supporting those positions.

- **Transfer two vacant positions to the Department of Accounts for enterprise application support**

Transfers two positions to the Department of Accounts to provide necessary staffing for enterprise application support.

	FY 2013	FY 2014
Authorized Positions	0.00	-2.00

### Recommended Savings Addenda

- **Reduce funding for school efficiency reviews**

Reduces funding for the school efficiency reviews program.

	FY 2013	FY 2014
General Fund	\$ 0	\$ (100,000)

## Department of Taxation

The Virginia Department of Taxation's mission is to serve the public by administering the tax laws of the Commonwealth of Virginia with integrity, efficiency, and consistency.

### Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 87,911,521	\$ 9,519,328	\$ 66,800,896
2010 Appropriation	\$ 86,502,030	\$ 10,323,428	\$ 67,325,896
2011 Appropriation	\$ 80,343,481	\$ 79,095,742	\$ 61,179,599
2012 Appropriation	\$ 78,904,780	\$ 80,095,742	\$ 60,923,664
2013 Base Budget	\$ 82,749,826	\$ 13,534,945	\$ 61,136,153
2013 Addenda	\$ 50,613	\$ 0	\$ 0
2013 Total	\$ 82,800,439	\$ 13,534,945	\$ 61,136,153
2014 Base Budget	\$ 82,502,385	\$ 13,534,945	\$ 61,013,016
2014 Addenda	\$ 2,842,235	\$ 30,000	\$ (245,818)
2014 Total	\$ 85,344,620	\$ 13,564,945	\$ 60,767,198

### Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	959.50	37.00	996.50
2010 Appropriation	959.50	37.00	996.50
2011 Appropriation	955.50	37.00	992.50
2012 Appropriation	955.50	37.00	992.50
2013 Base Budget	890.00	37.00	927.00
2013 Addenda	0.00	0.00	0.00
2013 Total	890.00	37.00	927.00
2014 Base Budget	890.00	37.00	927.00
2014 Addenda	-2.00	5.00	3.00
2014 Total	888.00	42.00	930.00

### Recommended Operating Budget Addenda

- **Adjust funding for changes in methodology for Oracle related charges**

Adjusts the agency's budget for the general fund share of the impact of VITA charges resulting from a planned change in the rates methodology as applied to Oracle specific costs effective July 1, 2013. Under the new methodology, Oracle costs will be charged directly to those few agencies with Oracle licenses rather than sharing the costs via standard server rates among the many agencies using the servers on which the Oracle software resides as is currently done.

	FY 2013	FY 2014
General Fund	\$ 0	\$ 177,765

- **Establish an e-file program for Pass-Thru-Entity returns**

Implements an electronic filing program for the processing of Pass-Thru-Entity returns.

	FY 2013	FY 2014
General Fund	\$ 0	\$ 389,440

- **Modify technical infrastructure in accordance with federal mandates**

Modifies the agency's technical infrastructure to bring the Commonwealth into compliance with Internal Revenue Service (IRS) guidelines and address the findings of a recent IRS audit. These modifications avoid a loss of \$132.5 million in annual revenue attributable to federal audit files and the Treasury Offset Program.

	FY 2013	FY 2014
General Fund	\$ 50,613	\$ 2,792,700

## Recommended Savings Addenda

- **Align live chat operating hours with other customer service operating hours**

Amends the live chat operating hours to match the agency's Contact Center operating hours. Hours will remain extended during the January 1st to May 31st peak filing season.

		FY 2013		FY 2014
General Fund	\$	0	\$	(30,033)

- **Increase staffing in the agency's Court Debt Collections division**

Provides five positions to expand the agency's Court Debt Collections staff. This unit collects court debts and fees on behalf of participating localities. It is anticipated that these positions will generate \$1.1 million in additional revenue available for transfer to the general fund.

		FY 2013		FY 2014
Authorized Positions		0.00		5.00

- **Mandate electronic filing for all withholding tax and W-2 forms**

Mandates electronic filing for all withholding tax and W-2 forms; assumes an effective date of July 2013.

		FY 2013		FY 2014
General Fund	\$	0	\$	(180,000)

- **Realign customer service resources to support increased electronic filing**

Aligns the department's customer service resources to reflect increased electronic filing by taxpayers. The department's walk-in customer service area will be open to customers during peak filing season, January to May.

		FY 2013		FY 2014
General Fund	\$	0	\$	(95,270)

- **Reorganize the Office of Compliance**

Restructures the agency's Office of Compliance to better match business needs.

		FY 2013		FY 2014
General Fund	\$	0	\$	(120,515)
Authorized Positions		0.00		-2.00

- **Standardize the reimbursement of internet costs for home-based employees**

Realizes savings by revising the policy governing the reimbursement of costs incurred by home-based agency employees for internet service.

		FY 2013		FY 2014
General Fund	\$	0	\$	(61,852)

- **Supplant general fund support for tobacco permit sales with nongeneral fund revenue**

Supplants general fund support of tobacco permit sales with revenue the department collects in accordance with Section 58.1-1011, Code of Virginia. The department currently collects an application or renewal fee not to exceed \$750 to support costs of processing stamping agent applications, conducting background investigations, and issuing stamping permits. This revenue will be used to support a portion of the program's costs.

		FY 2013		FY 2014
General Fund	\$	0	\$	(30,000)
Nongeneral Fund	\$	0	\$	30,000

## Department of the Treasury

As steward of the Commonwealth's financial resources, the Department of the Treasury's mission is to ensure excellence in the management of its banking, investing, and financing services and the administration of unclaimed property and insurance programs.

### Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 6,927,822	\$ 9,157,762	\$ 8,674,281
2010 Appropriation	\$ 8,331,547	\$ 9,570,554	\$ 9,064,485
2011 Appropriation	\$ 7,933,287	\$ 10,417,344	\$ 9,060,163
2012 Appropriation	\$ 7,796,907	\$ 10,752,123	\$ 9,229,112
2013 Base Budget	\$ 8,679,439	\$ 10,737,794	\$ 9,311,552
2013 Addenda	\$ 0	\$ 0	\$ 0
2013 Total	\$ 8,679,439	\$ 10,737,794	\$ 9,311,552
2014 Base Budget	\$ 7,609,770	\$ 10,737,794	\$ 9,311,552
2014 Addenda	\$ (5,216)	\$ 0	\$ 0
2014 Total	\$ 7,604,554	\$ 10,737,794	\$ 9,311,552

### Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	39.50	81.50	121.00
2010 Appropriation	38.50	82.50	121.00
2011 Appropriation	38.50	82.50	121.00
2012 Appropriation	38.50	82.50	121.00
2013 Base Budget	35.50	85.50	121.00
2013 Addenda	0.00	0.00	0.00
2013 Total	35.50	85.50	121.00
2014 Base Budget	35.50	85.50	121.00
2014 Addenda	0.00	0.00	0.00
2014 Total	35.50	85.50	121.00

## Recommended Operating Budget Addenda

- **Adjust funding for changes in methodology for Oracle related charges**

Adjusts the agency's budget for the general fund share of the impact of VITA charges resulting from a planned change in the rates methodology as applied to Oracle specific costs effective July 1, 2013. Under the new methodology, Oracle costs will be charged directly to those few agencies with Oracle licenses rather than sharing the costs via standard server rates among the many agencies using the servers on which the Oracle software resides as is currently done.

	FY 2013	FY 2014
General Fund	\$ 0	\$ (5,216)

- **Maintain solvency of the Constitutional Officers Liability Program**

Increases premiums for the Constitutional Officers Liability Program (VARISK). The program, part of the State Insurance Reserve Trust Fund, is administered by the Division of Risk Management. The premium increase is necessary to address anticipated program expenditures. The premium is paid by the Compensation Board on behalf of the constitutional officers.

## Treasury Board

To provide sufficient appropriations for the payment of outstanding and future debt obligations of the Commonwealth.(While the Treasury Board is tasked by statute with many duties, the Treasury Board budget is limited to amounts required to pay principal and interest on tax-supported debt obligations of the Commonwealth.)

## Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 451,967,447	\$ 11,266,481	\$ 2,300
2010 Appropriation	\$ 479,381,893	\$ 21,260,287	\$ 2,300
2011 Appropriation	\$ 542,403,715	\$ 28,477,248	\$ 0
2012 Appropriation	\$ 583,187,908	\$ 50,245,071	\$ 0
2013 Base Budget	\$ 616,605,698	\$ 49,643,278	\$ 0
2013 Addenda	\$ (6,462,093)	\$ 0	\$ 0
2013 Total	\$ 610,143,605	\$ 49,643,278	\$ 0
2014 Base Budget	\$ 649,331,537	\$ 49,250,717	\$ 0
2014 Addenda	\$ (23,500,950)	\$ 0	\$ 0
2014 Total	\$ 625,830,587	\$ 49,250,717	\$ 0

## Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	0.00	0.00	0.00
2010 Appropriation	0.00	0.00	0.00
2011 Appropriation	0.00	0.00	0.00
2012 Appropriation	0.00	0.00	0.00
2013 Base Budget	0.00	0.00	0.00
2013 Addenda	0.00	0.00	0.00
2013 Total	0.00	0.00	0.00
2014 Base Budget	0.00	0.00	0.00
2014 Addenda	0.00	0.00	0.00
2014 Total	0.00	0.00	0.00

## Recommended Savings Addenda

- **Capture debt management savings**

Captures debt service savings resulting from actual debt service being less than projected, reduced issuance assumptions, and a reduction in the variable rate interest in 2013. Also, captures debt service provided for the sale of equipment in 2013 through the Virginia College Building Authority's higher education equipment program, as the sale was postponed.

	FY 2013	FY 2014
General Fund	\$ (6,462,093)	\$ (23,500,950)