

# Office of Finance

The Honorable Richard D. Brown, Secretary of Finance

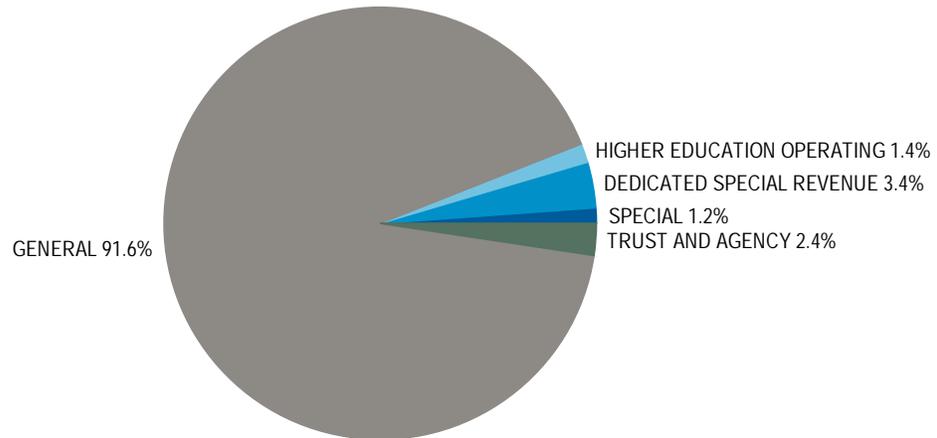
Finance agencies handle the financial transactions of the Commonwealth, from collecting taxes to paying the bills and distributing aid to localities. Responsibilities of Finance agencies include forecasting and collecting revenues, managing the Commonwealth's cash and investments, selling bonds, training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



### Office of Finance Includes:

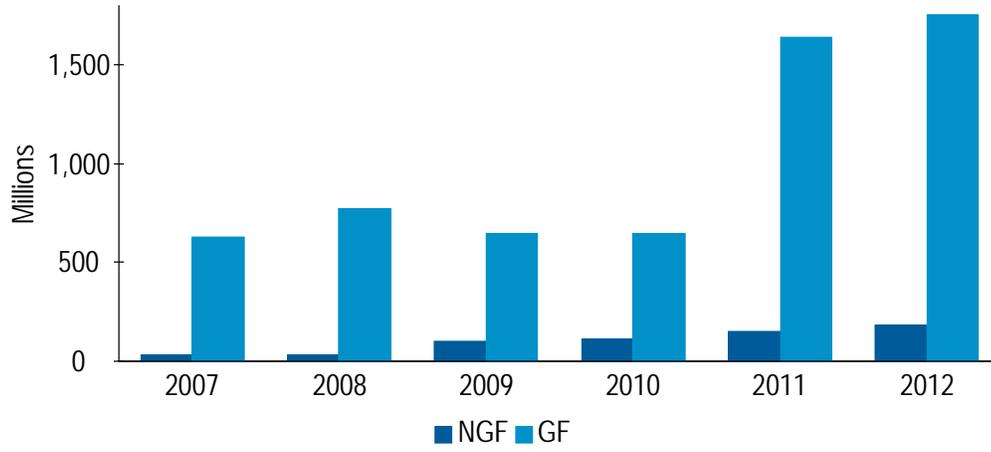
- o Secretary of Finance
- o Department of Accounts
- o Department of Accounts Transfer Payments
- o Department of Planning and Budget
- o Department of Taxation
- o Department of the Treasury
- o Treasury Board

**Financing of the Office of Finance\***  
 Based on 2010 — 2012 Proposed Operating Budget  
 \*Funds with totals less than 1% have not been included



# Office of Finance Operating Budget History

Part B: Executive Budget  
2010-2012 Biennium



## 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
2007 Appropriation	626,392	0	596,459
2008 Appropriation	626,592	0	596,459
2009 Appropriation	657,466	0	626,885
2010 Appropriation	654,846	0	626,885
2011 Base Budget	420,423	0	411,882
2011 Addenda	0	0	0
2011 Total	420,423	0	411,882
2012 Base Budget	420,423	0	411,882
2012 Addenda	0	0	0
2012 Total	420,423	0	411,882

### Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2007 Appropriation	5.00	0.00	5.00
2008 Appropriation	5.00	0.00	5.00
2009 Appropriation	5.00	0.00	5.00
2010 Appropriation	5.00	0.00	5.00
2011 Base Budget	4.00	0.00	4.00
2011 Addenda	0.00	0.00	0.00
2011 Total	4.00	0.00	4.00
2012 Base Budget	4.00	0.00	4.00
2012 Addenda	0.00	0.00	0.00
2012 Total	4.00	0.00	4.00

## Department of Accounts

### Department of Accounts Web site

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
2007 Appropriation	9,463,551	383,665	7,029,802
2008 Appropriation	11,039,146	383,665	8,684,465
2009 Appropriation	11,750,195	419,643	9,530,939
2010 Appropriation	9,540,644	419,643	9,703,563
2011 Base Budget	10,202,594	1,648,830	9,930,302
2011 Addenda	(102,026)	0	(102,026)
2011 Total	10,100,568	1,648,830	9,828,276
2012 Base Budget	10,202,594	1,648,830	9,930,302
2012 Addenda	(204,052)	204,052	0
2012 Total	9,998,542	1,852,882	9,930,302

### Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2007 Appropriation	102.00	3.00	105.00
2008 Appropriation	116.00	3.00	119.00
2009 Appropriation	122.00	3.00	125.00
2010 Appropriation	102.00	22.00	124.00
2011 Base Budget	102.00	22.00	124.00
2011 Addenda	0.00	0.00	0.00
2011 Total	102.00	22.00	124.00
2012 Base Budget	102.00	22.00	124.00
2012 Addenda	0.00	0.00	0.00
2012 Total	102.00	22.00	124.00

### Recommended Operating Budget Addenda

- **Transfer the sum sufficient appropriation for the Payroll Service Bureau to the correct fund detail**

Transfers the sum sufficient appropriation for the Payroll Service Bureau between fund detail for proper accounting.

- **Establish an internal service fund for the recovery of costs associated with Enterprise Applications**

Creates an internal service fund for the management of costs related to the Commonwealth's Enterprise Applications.

### Recommended Savings Addenda

- **Capture turnover and vacancy savings**

Achieves savings through attrition and retirements.

	FY 2011	FY 2012
General Fund	(102,026)	0

- **Implement service charges for mandated services**

Authorizes the agency to retain monies from the Small Charge Card Rebate Fund to support administrative costs associated with executing financial accounting transactions on behalf of certain higher education institutions. Also,

authorizes the agency to charge a fee for services rendered in collecting non-tax exempt debts owed to the Commonwealth.

	FY 2011	FY 2012
General Fund	0	(204,052)
Nongeneral Fund	0	204,052

## Department of Accounts Transfer Payments

To provide financial assistance to the localities and to administer the Revenue Stabilization Fund, Virginia Education Loan Authority Reserve Fund, and the Line of Duty Act as required by the Code of Virginia.

### Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2007 Appropriation	168,597,412	1,044,778	0
2008 Appropriation	179,423,706	64,703,732	0
2009 Appropriation	76,667,430	72,591,775	0
2010 Appropriation	54,098,131	72,160,621	0
2011 Base Budget	986,405,000	31,299,518	188,000
2011 Addenda	0	0	0
2011 Total	986,405,000	31,299,518	188,000
2012 Base Budget	1,060,504,000	31,299,518	188,000
2012 Addenda	0	5,363,868	0
2012 Total	1,060,504,000	36,663,386	188,000

### Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2011 Base Budget	0.00	0.00	0.00
2011 Addenda	0.00	0.00	0.00
2011 Total	0.00	0.00	0.00
2012 Base Budget	0.00	0.00	0.00
2012 Addenda	0.00	0.00	0.00
2012 Total	0.00	0.00	0.00

### Recommended Operating Budget Addenda

- **Correct fund detail for the Line of Duty program benefits**

Transfers the nongeneral fund appropriation for the Line of Duty program between fund detail for proper accounting.

- **Increase the nongeneral fund appropriation for the state employee flexible benefits program**

Increases the nongeneral fund appropriation for the employee flexible benefits program to reflect accurate expenditures. This nongeneral fund appropriation was established starting in FY 2011 to allow for proper accounting.

	FY 2011	FY 2012
Nongeneral Fund	0	5,363,868

- **Amend Line of Duty language to authorize collection of administrative expenses from nonparticipating localities and clarify terms of the loan from the Group Life fund**

Provides language authorizing the State Comptroller to recover administrative expenses associated with the Line of Duty program from localities who elect to become nonparticipating employers. In addition, this amendment provides language clarifying that the Virginia Retirement System has the authority to continue to advance funds from the Group Life program for as long as needed to support ongoing expenses of the Line of Duty program.

- **Provide language authorizing the State Comptroller to request a medical eligibility review of Line of Duty claims**

Provides language authorizing the State Comptroller to request a written review for Line of Duty eligibility from medical experts on the Virginia Retirement System Medical Board.

- **Remove automatic reappropriation**

Removes language authorizing the automatic carryforward of June 30 general fund balances. Any such balances will remain eligible for reappropriation pursuant to criteria in Section 4-1.05 of the Appropriation Act.

- **Provide language to authorize use of anticipated mandatory deposit for unfunded federal mandates or emergency disaster declarations**

Authorizes the use of the voluntary advance to the Revenue Stabilization Fund for unfunded federal mandates or unanticipated spending needs required for emergency disaster declarations. Requires the Governor to report to the Chairmen of the House Appropriations and Senate Finance Committees prior to expending these funds. The Governor's notification will include the exact nature of the need for funding, as well as the exact amounts to be used from the appropriation.

## Department of Planning and Budget

### [Department of Planning and Budget Web site](#)

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**

	<b>General Fund</b>	<b>Nongeneral Fund</b>	<b>Personnel Costs</b>
2007 Appropriation	8,200,057	250,000	5,768,619
2008 Appropriation	8,227,102	250,000	5,768,619
2009 Appropriation	7,332,818	250,000	6,551,905
2010 Appropriation	6,068,776	250,000	6,634,835
2011 Base Budget	6,730,312	250,000	5,372,868
2011 Addenda	(40,746)	0	0
2011 Total	6,689,566	250,000	5,372,868
2012 Base Budget	6,619,909	250,000	5,308,149
2012 Addenda	0	0	0
2012 Total	6,619,909	250,000	5,308,149

**Authorized Positions Summary**

	<b>General Fund</b>	<b>Nongeneral Fund</b>	<b>Total Positions</b>
2007 Appropriation	68.00	2.00	70.00
2008 Appropriation	68.00	2.00	70.00
2009 Appropriation	67.00	2.00	69.00
2010 Appropriation	67.00	2.00	69.00
2011 Base Budget	67.00	2.00	69.00
2011 Addenda	0.00	0.00	0.00
2011 Total	67.00	2.00	69.00
2012 Base Budget	67.00	2.00	69.00
2012 Addenda	0.00	0.00	0.00
2012 Total	67.00	2.00	69.00

**Recommended Savings Addenda**

- **Reduce funds for recently vacated position**

Captures savings from a vacant position.

	<b>FY 2011</b>	<b>FY 2012</b>
General Fund	(40,746)	0

**Department of Taxation**

[Department of Taxation Web site](#)

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**

	<b>General Fund</b>	<b>Nongeneral Fund</b>	<b>Personnel Costs</b>
2007 Appropriation	86,054,998	12,579,537	61,180,660
2008 Appropriation	86,771,193	9,315,597	61,249,457
2009 Appropriation	87,911,521	9,519,328	66,800,896
2010 Appropriation	86,502,030	10,323,428	67,325,896
2011 Base Budget	80,916,838	79,095,742	61,349,220
2011 Addenda	(573,357)	0	(169,621)
2011 Total	80,343,481	79,095,742	61,179,599
2012 Base Budget	80,732,999	80,095,742	61,254,220
2012 Addenda	(1,828,219)	0	(330,556)
2012 Total	78,904,780	80,095,742	60,923,664

**Authorized Positions Summary**

	<b>General Fund</b>	<b>Nongeneral Fund</b>	<b>Total Positions</b>
2007 Appropriation	909.50	36.00	945.50
2008 Appropriation	910.50	36.00	946.50
2009 Appropriation	959.50	37.00	996.50
2010 Appropriation	959.50	37.00	996.50
2011 Base Budget	959.50	37.00	996.50
2011 Addenda	-4.00	0.00	-4.00
2011 Total	955.50	37.00	992.50
2012 Base Budget	959.50	37.00	996.50
2012 Addenda	-4.00	0.00	-4.00
2012 Total	955.50	37.00	992.50

**Recommended Operating Budget Addenda**

- **Modify filing requirement language**

Adds language to clarify that the department is only required to report on public-private partnership contracts when a contract is active. Currently, the department is required to make such a report irrespective of whether a contract is active.

- **Move to tax processing facility**

Provides funding to address the unavoidable costs associated with the department's move to the new tax processing facility. The department was forced to relocate to new facilities because of structural deficiencies of their old facility.

	<b>FY 2011</b>	<b>FY 2012</b>
General Fund	0	240,000

- **Provide funds for rent for tax processing facility**

Provides additional funding to cover the net increase in rent costs for the tax processing facility.

	<b>FY 2011</b>	<b>FY 2012</b>
General Fund	0	975,728

## Recommended Savings Addenda

- **Mandate electronic filing requirement for withholding tax**

Requires that certain employers file all required tax forms and remit withholding payments electronically, unless the Tax Commissioner determines that this creates an undue burden on an individual employer.

	FY 2011	FY 2012
General Fund	0	(100,000)

- **Reduce the use of private security**

Captures efficiencies by reducing the use of private security at three Richmond area locations.

	FY 2011	FY 2012
General Fund	(75,103)	(94,208)

- **Reduce disaster recovery costs**

Reduces the number of systems for which the agency is paying the Virginia Information Technologies Agency (VITA) for disaster recovery services and modifies the restoration time for the systems for which VITA will continue to provide disaster recovery backup services.

	FY 2011	FY 2012
General Fund	0	(829,936)

- **Eliminate annual mailing of individual tax forms and instructions**

A language only amendment to eliminate the requirement that the department mail individual income tax forms and instructions unless requested to do so by a taxpayer or their representative.

	FY 2011	FY 2012
General Fund	0	(389,000)

- **Reduce discretionary communications equipment**

Reduces the use of Blackberry smartphones and wireless aircards throughout the agency.

	FY 2011	FY 2012
General Fund	(1,000)	(5,000)

- **Reduce wage staff in warehouse and processing**

Captures savings from efficiencies resulting from the consolidation of the warehouse and tax processing operations at the tax processing facility.

	FY 2011	FY 2012
General Fund	0	(55,000)

- **Reduce the amount of office space occupied by the Department of Taxation**

Reduces office space in Main Street Centre. The department will eliminate one floor of office space.

	FY 2011	FY 2012
General Fund	0	(190,324)

- **Decrease reliance on information technology consultants**

Replaces information technology consultants with full-time staff. Using full-time staff for this function is less expensive than using contractors. No additional positions are required with this action, as the agency has sufficient vacancies.

	FY 2011	FY 2012
General Fund	(327,633)	(1,049,923)

- **Reduce personnel within the Department of Taxation**

Eliminates four positions throughout the agency.

	FY 2011	FY 2012
General Fund	(169,621)	(330,556)
Authorized Positions	-4.00	-4.00

## Department of the Treasury

### Department of the Treasury Web site

The Department of the Treasury is dedicated to serving the Commonwealth by providing excellent financial management and outstanding customer service.

### Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2007 Appropriation	9,688,512	8,352,347	7,782,139
2008 Appropriation	7,851,264	8,498,179	7,926,297
2009 Appropriation	6,927,822	9,157,762	8,674,281
2010 Appropriation	8,331,547	9,570,554	9,064,485
2011 Base Budget	8,013,421	10,093,724	9,008,140
2011 Addenda	(80,134)	323,620	52,023
2011 Total	7,933,287	10,417,344	9,060,163
2012 Base Budget	8,013,421	10,106,605	9,021,021
2012 Addenda	(216,514)	645,518	208,091
2012 Total	7,796,907	10,752,123	9,229,112

**Authorized Positions Summary**

	<b>General Fund</b>	<b>Nongeneral Fund</b>	<b>Total Positions</b>
2007 Appropriation	46.50	76.50	123.00
2008 Appropriation	46.50	76.50	123.00
2009 Appropriation	39.50	81.50	121.00
2010 Appropriation	38.50	82.50	121.00
2011 Base Budget	38.50	82.50	121.00
2011 Addenda	0.00	0.00	0.00
2011 Total	38.50	82.50	121.00
2012 Base Budget	38.50	82.50	121.00
2012 Addenda	0.00	0.00	0.00
2012 Total	38.50	82.50	121.00

**Recommended Operating Budget Addenda**

**• Address increased workload in unclaimed property**

Provides funding for three positions to address the increased workload in the department's unclaimed property division. The department continues to experience an increase in both the number of unclaimed property owners added to the database and the number of paid claims. The additional resources this appropriation will support will allow the department to process claims and claim information in a timely manner. No additional positions are provided, as the agency has sufficient vacant positions.

	<b>FY 2011</b>	<b>FY 2012</b>
Nongeneral Fund	57,071	214,984

**• Increase appropriation for insurance collateral safekeeping**

Provides for the continued payment on the department's contractual obligation for collateral safekeeping. The Code requires insurance companies licensed to conduct business in the Commonwealth to pledge securities as collateral and places responsibility for the safekeeping of these deposits with Treasury. Treasury out sources this safekeeping function.

	<b>FY 2011</b>	<b>FY 2012</b>
Nongeneral Fund	95,749	101,334

**• Enhance unclaimed property and risk management systems**

Provides funding for the department to hire two temporary information technology contractors to augment its information systems staff to enhance systems in unclaimed property and risk management. The systems augmentations will improve claims processing and improve customer service for customers of the risk management division.

	<b>FY 2011</b>	<b>FY 2012</b>
Nongeneral Fund	52,800	211,200

**• Increase the nongeneral fund appropriation to address costs under the new information technology rate structure**

Provides an additional nongeneral fund appropriation to address the agency's Virginia Information Technologies Agency (VITA) costs under the Commonwealth's information technology cost recovery rate structure that became effective July 1, 2010.

	<b>FY 2011</b>	<b>FY 2012</b>
Nongeneral Fund	118,000	118,000

**Recommended Savings Addenda**

**• Capture savings from the decline in check volume**

Captures savings resulting from the continuing decline in the volume of checks processed by the department and reducing the amount of check stock.

	<b>FY 2011</b>	<b>FY 2012</b>
General Fund	(80,134)	(80,134)

**• Reduce costs of electronic communications**

Captures savings the department will generate when it replaces its current phone system with a voice over IP system, with the assistance of the Virginia Information Technologies Agency.

	<b>FY 2011</b>	<b>FY 2012</b>
General Fund	0	(23,888)

**• Renegotiate banking services contracts**

Captures savings from the recently renegotiated contracts for banking services. The Commonwealth will receive the same or improved services under the new contracts.

	<b>FY 2011</b>	<b>FY 2012</b>
General Fund	0	(112,492)

**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**

	<b>General Fund</b>	<b>Nongeneral Fund</b>	<b>Personnel Costs</b>
2007 Appropriation	347,676,692	9,269,878	2,300
2008 Appropriation	405,205,576	11,268,364	2,300
2009 Appropriation	451,967,447	11,266,481	2,300
2010 Appropriation	479,381,893	21,260,287	2,300
2011 Base Budget	553,996,931	28,477,248	0
2011 Addenda	(11,593,216)	0	0
2011 Total	542,403,715	28,477,248	0
2012 Base Budget	593,568,951	28,476,380	0
2012 Addenda	(9,714,386)	21,102,034	0
2012 Total	583,854,565	49,578,414	0

**Authorized Positions Summary**

	<b>General Fund</b>	<b>Nongeneral Fund</b>	<b>Total Positions</b>
2011 Base Budget	0.00	0.00	0.00
2011 Addenda	0.00	0.00	0.00
2011 Total	0.00	0.00	0.00
2012 Base Budget	0.00	0.00	0.00
2012 Addenda	0.00	0.00	0.00
2012 Total	0.00	0.00	0.00

**Recommended Operating Budget Addenda**

- **Amend language pertaining to review of jail projects**

Returns responsibility for reviewing and approving expenditures submitted by the locality for reimbursement for the costs of jail construction or renovation projects funded through the issuance of Virginia Public Building Authority Bonds to the Department of Corrections. Currently, this responsibility rests with the Board of Corrections.

- **Provide debt service for new and currently authorized projects**

Increases funding for debt service on bonds to be issued by the Virginia Public Building Authority and the Virginia College Building Authority for new capital projects and existing capital projects and higher education equipment authorized for bond financing. Also, adds the Eastern Shore Regional Jail to the list of projects approved for reimbursement for the state share of the capital cost for the project and appropriates debt service for those costs.

	<b>FY 2011</b>	<b>FY 2012</b>
General Fund	0	3,172,605

- **Appropriate subsidy for Build America Bonds**

Establishes a nongeneral fund appropriation to cover the portion of the debt service payments related to three bond issues that were sold as American Recovery and Reinvestment Act (ARRA) Build America Bonds. A portion of the debt service on these bonds will be funded from subsidy payments from the federal government.

	<b>FY 2011</b>	<b>FY 2012</b>
Nongeneral Fund	0	21,102,034

**Recommended Savings Addenda**

- **Adjust funding for debt service payments**

Captures savings realized from the issuance of recent Virginia College Building Authority and Virginia Public Building Authority bonds: at lower interest rates than anticipated; as Build America Bonds resulting in more favorable rates; and, at later issuance dates than originally planned.

	<b>FY 2011</b>	<b>FY 2012</b>
General Fund	(11,593,216)	(12,886,991)