



2018 - 2019 Budget Proposal

October 18, 2017

This presentation contains pre-decisional estimates subject to change.

AGENDA

- ❖ Budget Overview and Process
- ❖ Agency Reform Plan
- ❖ Priorities and Initiatives
- ❖ Operating Budget
- ❖ Capital Budget
- ❖ Share Insurance Fund Administrative Budget
- ❖ Conclusion
- ❖ Supplemental Information

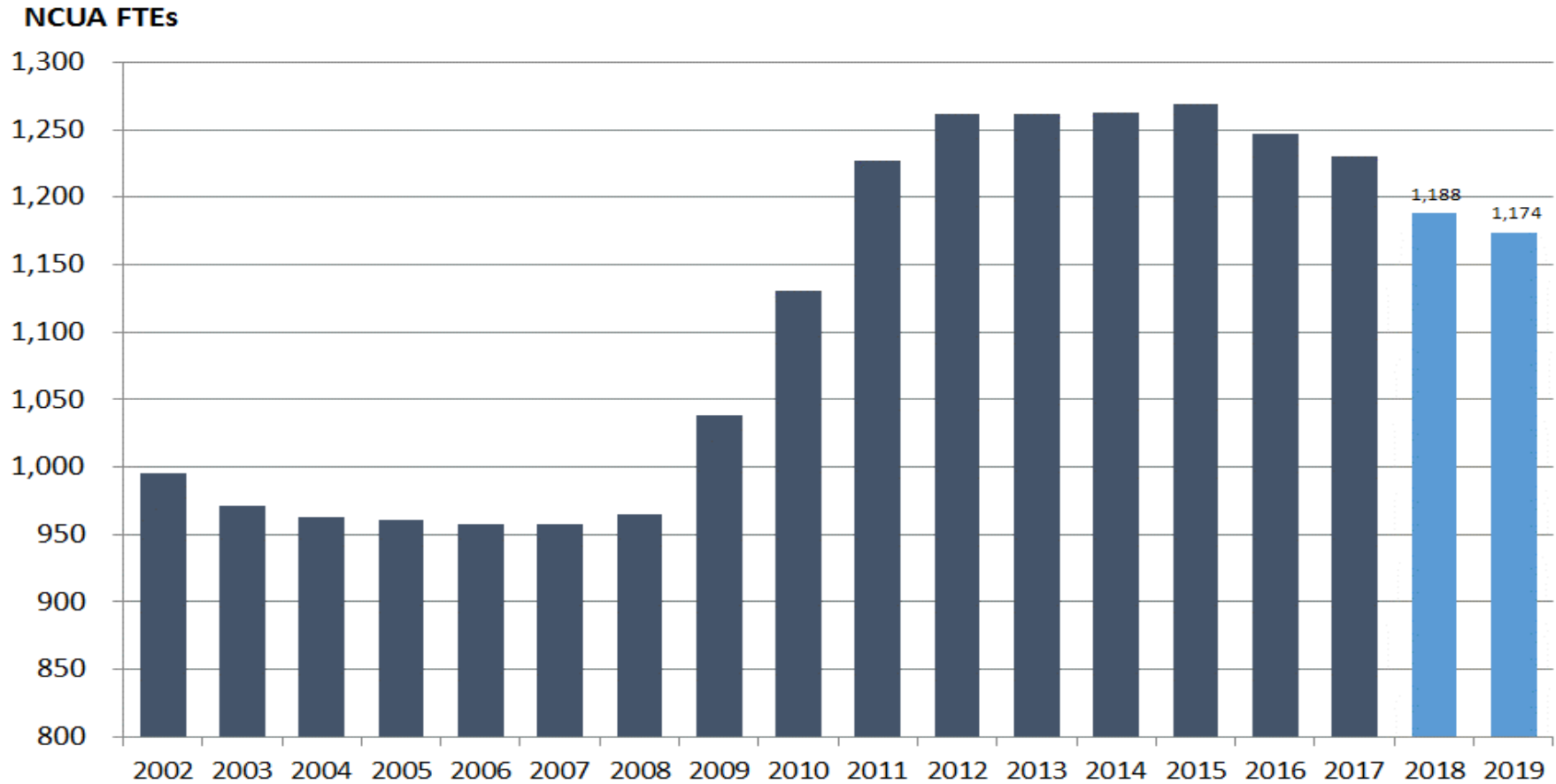
Budget Overview

Resource Summary

2017 - 2019 NCUA BUDGET RESOURCES											
Fund	2017 Board Approved Budget	2017 Restated Budget	2018 Requested Budget	Change (2017- 18)	Change Percent (2017 -18)	2019 Requested Budget	2019 Change from 2018	%	2018 FTE	2019 FTE	FTE Change 2018 - 2019
Operating Fund	\$ 298,164,000	\$ 292,104,000	\$ 298,178,000	6,074,000	2.1%	\$ 302,771,000	\$ 4,593,000	1.5%	1,183	1,169	(14)
Capital Budget	15,791,000	15,791,000	15,403,000	(388,000)	-2.5%	21,146,000	\$ 5,743,000	37.3%	-	-	
Share Insurance Fund	4,090,000	10,055,000	7,376,000	(2,679,000)	-26.6%	7,454,000	\$ 78,000	1.1%	5	5	
						-					
Total	\$ 318,045,000	\$ 317,950,000	\$ 320,957,000	\$3,007,000	0.9%	\$ 331,371,000	\$10,414,000	3.2%	1,188	1,174	(14)

Budget Overview

NCUA Staffing



Budget Development Process

The budget was developed in conjunction with work on the Agency Reform Plan, and the development of the NCUA's draft 2018-2022 Strategic Plan.

- ❖ The budget is a product of thorough planning and evaluation by all offices to use resources effectively and in an efficient manner without sacrificing the NCUA's core mission of protecting safety and soundness.
- ❖ Every office must justify every line item they request and explain the methodology used for cost estimates. Comprehensive workload analysis is a primary input to determine time and personnel resources for the NCUA field program.
- ❖ The Chief Financial Officer and the Executive Director discuss requests with the central offices and make recommendations to Board Members, resulting in the budget presented today.

Change in Budgetary Presentation

The NCUA is modifying its presentation of budgetary estimates in this budget. The change will:

- ❖ More clearly focus the budgetary presentation on all planned NCUA spending
- ❖ Focus the presentation on budgetary matters within the Board's control
- ❖ Align better to financing requirements
- ❖ Clarify and strengthen the agency's internal funds control
- ❖ Align better with Federal budget guidance and principles contained in the Office of Management Circular A-11.

This change has no impact on basis of accounting for the NCUA's financial statements.

Agency Reform--The Need for Change

- ❖ The U.S. financial sector, including the credit union system, has changed materially since our last top-to-bottom review in 2003.
- ❖ There are fewer credit unions, but they are larger and more complex, which creates different risks and process needs for the NCUA.
- ❖ To become more efficient and effective, the NCUA must take advantage of opportunities to invest in information technology and data analytics.

Agency Reform--Process

- ❖ Over the past year the NCUA took a comprehensive look at overall operations.
- ❖ Specific agency work teams reviewed:
 - ❖ The regional office structure and processes
 - ❖ The structure and operations of the Asset Management and Assistance Center
 - ❖ Central office structure, alignment and processes
- ❖ The effort was begun before, but is consistent with, *Executive Order on Comprehensive Plan for Reorganizing the Executive Branch* (Executive Order 13781 issued March 13, 2017).

Budget Priorities and Initiatives

The Budget supports the NCUA's strategic goals and the actions approved by the Board in the Agency Reform Plan. The key themes for the NCUA in this budget are:

- ❖ **Implementing Efficiencies** to curtail operating cost increases and invest in priorities
- ❖ **Improving Operations** through information technology, data analytics and personnel
- ❖ **Focusing on Core Mission** through organizational realignments
- ❖ **Increasing Agency Compliance** with Federal laws, regulations and mandates

Priority: Implementing Efficiencies

Implement budget savings actions in 2018-2019, including those approved as part of the Agency Reform Plan:

- ❖ Consolidating from 5 regions to 3, and eliminating regional office staff
- ❖ Increasing the ratio of supervisory examiners to examiners from 1:8 to 1:10 over 2 years through attrition
- ❖ Initiating actions that will enable an 80 percent reduction in leased office space by 2020
- ❖ Continuing to reduce agency travel and training expenses without adversely impacting mission

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Priority: Improving Operations

Modernize the NCUA's technology solutions to create an integrated examination and data environment and facilitate a safe a sound credit union system.

- ❖ Multi-year effort established to manage the modernization effort and includes three key priorities:
 - ❖ **Examination & Supervision Solution** - Replace the existing legacy examination system and related supporting systems such as AIRES, TMS, MARS, and NSPM tools
 - ❖ **Data Collection & Sharing Solution** - Define capabilities required for a common platform to securely collect and share financial and non-financial data
 - ❖ **Data Reporting Services** - Implement business intelligence tools and establish a data warehouse to enhance analytics and provide more robust data reporting

Priority: Focus on Core Mission

Streamline the organization and allow the agency to focus on core mission through:

- ❖ Creating the Office of Credit Union Resources and Expansion to serve as the focal point for all Credit Union development interactions
- ❖ Transitioning the small credit union consulting program to an online platform
- ❖ Redefining the Office of Consumer Financial Protection to focus exclusively on consumer and member functions
- ❖ Reforming the Asset Management and Assistance Center to include changes to the servicing business model realigning functional staff to their central office counterparts

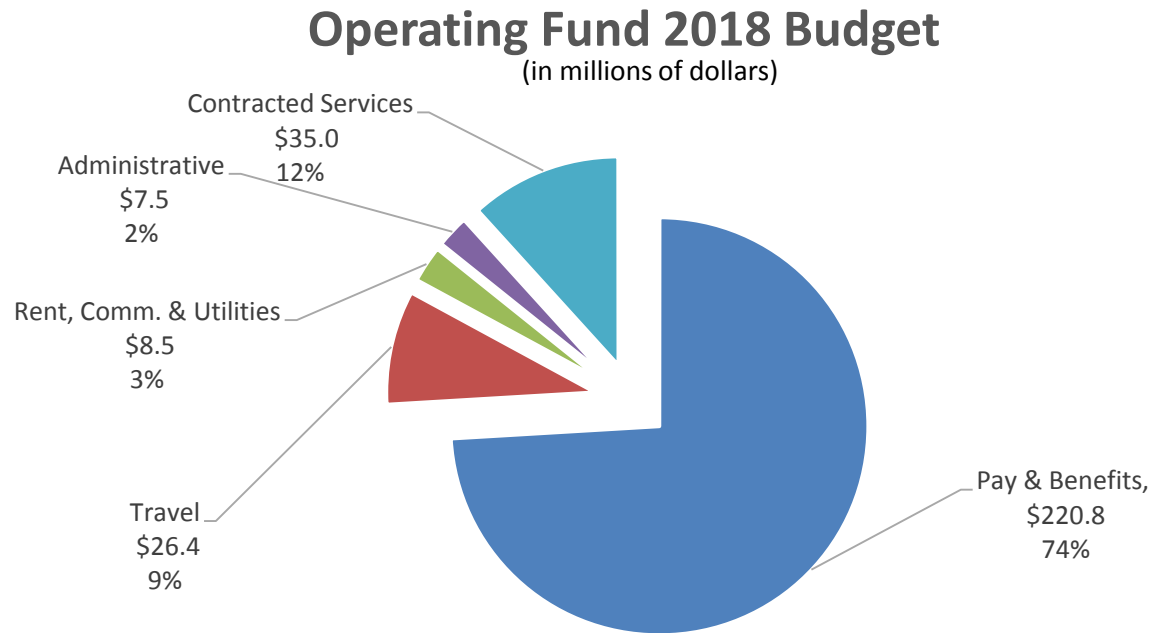
Priority: Compliance

While the NCUA has certain flexibility as an independent agency, it also must comply with certain Federal laws, regulations and mandates. The Budget includes resources to:

- ❖ Enhance acquisition operations in support of the NCUA commitment to obtain products and services at fair and reasonable prices
- ❖ Consolidate and enhance records management services in compliance with Federal law
- ❖ Enhance the NCUA's internal cyber security and information security programs

Operating Fund Budget

\$millions	2017 (restated)	2018	2019	Change 2017 to 2018	% Change 2018
BUDGET	\$ 292.1	\$ 298.2	\$ 302.8	\$ 6.1	2.1%
FTE	1,225	1,183	1,169	-42	-3.8%



Operating Fund Budget by Category

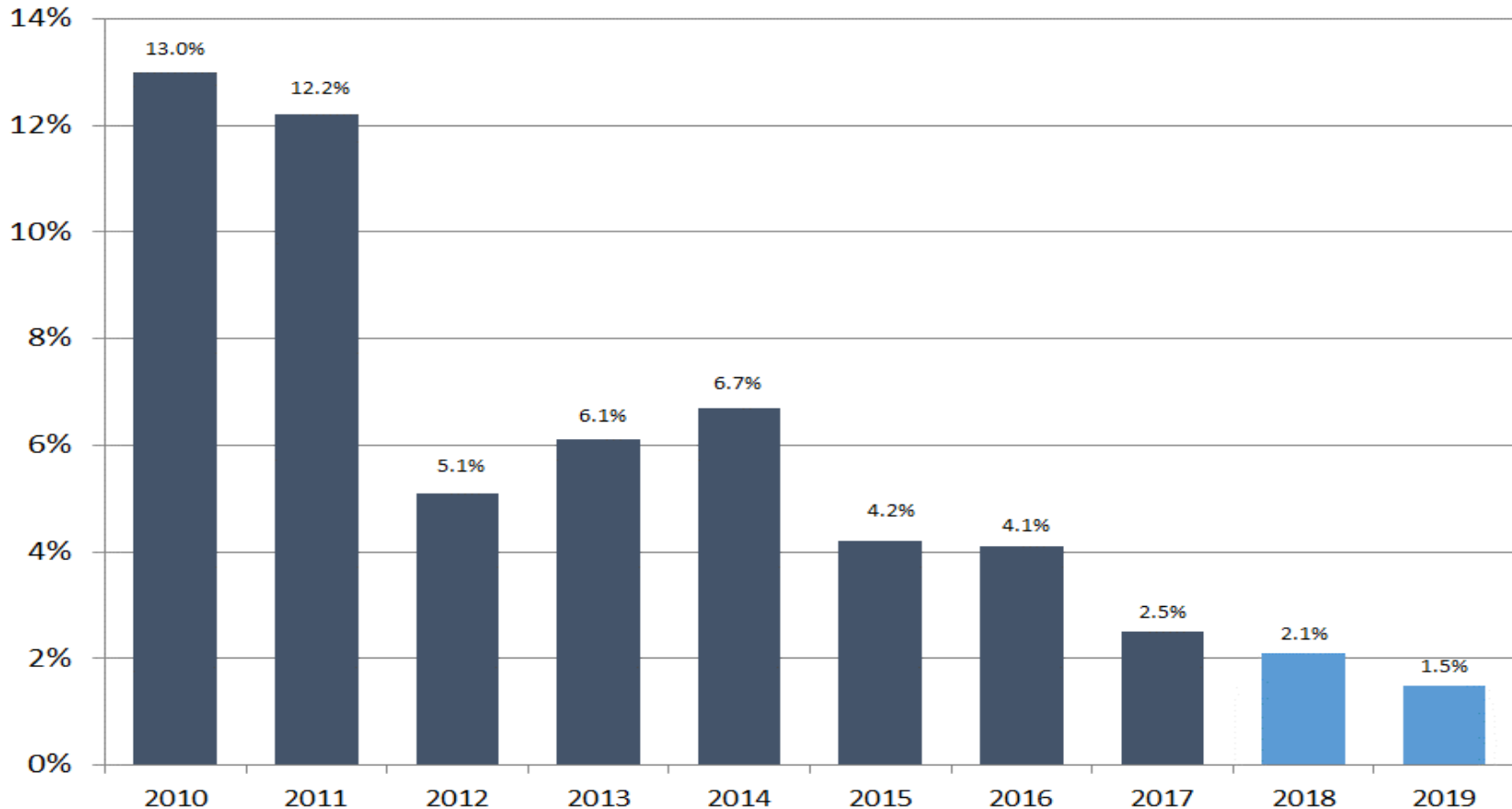
By Cost Category	2017 Board Approved Budget (Restated)	2018 Requested Budget	2017-2018 Change	Change Percent	2019 Requested Budget	2018-2019 Change	Change Percent
Employee compensation	214,453,000	220,756,000	6,303,000	2.9%	224,300,000	3,544,000	1.6%
Salaries*	152,148,000	158,852,000	6,704,000	4.4%	161,700,000	2,848,000	1.8%
Benefits	62,305,000	61,904,000	(401,000)	-0.6%	62,600,000	696,000	1.1%
Travel	28,465,000	26,433,000	(2,032,000)	-7.1%	26,322,000	(111,000)	-0.4%
Rent /Comm/Utilities	8,064,000	8,490,000	426,000	5.3%	8,575,000	85,000	1.0%
Administrative*	7,814,000	7,484,000	(330,000)	-4.2%	7,559,000	75,000	1.0%
Contracted Services	33,308,000	35,015,000	1,707,000	5.1%	36,015,000	1,000,000	2.9%
Total	\$ 292,104,000	\$ 298,178,000	6,074,000	2.1%	\$ 302,771,000	4,593,000	1.5%

* Prior Year Adjustment (-\$1.8M accrued annual leave, -\$5.6M depreciation expense and +\$1.34M King Street Station note)

Ten-Year Trend

Operating Fund Budget Changes

% Change from Previous Year



Pay and Benefits

\$millions	2017 (restated)	2018	2019	Change 2017 to 2018	% Change 2018
BUDGET	\$ 214.5	\$ 220.8	\$ 224.3	\$ 6.3	2.9%

- ❖ Salary growth complies with collective bargaining agreement average merit of 4% plus locality ranges from 0 to 3% to ***“maintain comparability with other federal bank regulatory agencies”*** per Federal Credit Union Act
- ❖ 2018: Reduction of 22 credit union examiner positions supports the second year of Examination Flexibility initiative, additional reductions include 20 regional positions, and 15 supervisory examiners associated with the agency reform plan
- ❖ 2019: Reduction of 15 regional office staff
- ❖ Other personnel compensation costs include salary adjustments associated with promotions and position changes
- ❖ Personnel benefits cost components include mandatory employer contributions for Social Security, Medicare, retirement, health insurance, and workers compensation

Travel

\$millions	2017	2018	2019	Change 2017 to 2018	% Change 2018
BUDGET	\$ 28.5	\$ 26.4	\$ 26.3	-\$2.1	-7.1%

- ❖ Travel reduction reflective of reduced credit union examiner positions (57 FTE in 2018 and 15 FTE in 2019)
- ❖ Cost savings are possible through a reduction in the amount of onsite examination time spent at credit unions
- ❖ More virtual training options expected to minimize travel

Rent, Communications and Utilities

\$millions	2017 (restated)	2018	2019	Change 2017 to 2018	% Change 2018
BUDGET	\$ 8.1	\$ 8.5	\$ 8.6	\$ 0.4	5.3%

- ❖ Recurring costs to support the NCUA infrastructure and operations. Major cost categories include:
 - ❖ Telecommunications (phone and internet)
 - ❖ Office space rental for central office, regional offices, and Asset Management and Assistance Center (AMAC)
 - ❖ Office utilities and postage
 - ❖ Anticipate future savings with 80 percent reduction to leased space by 2020

Administrative Services

\$millions	2017 (restated)	2018	2019	Change 2017 to 2018	% Change 2018
BUDGET	\$ 7.8	\$ 7.5	\$ 7.6	-\$ 0.3	-4.2%

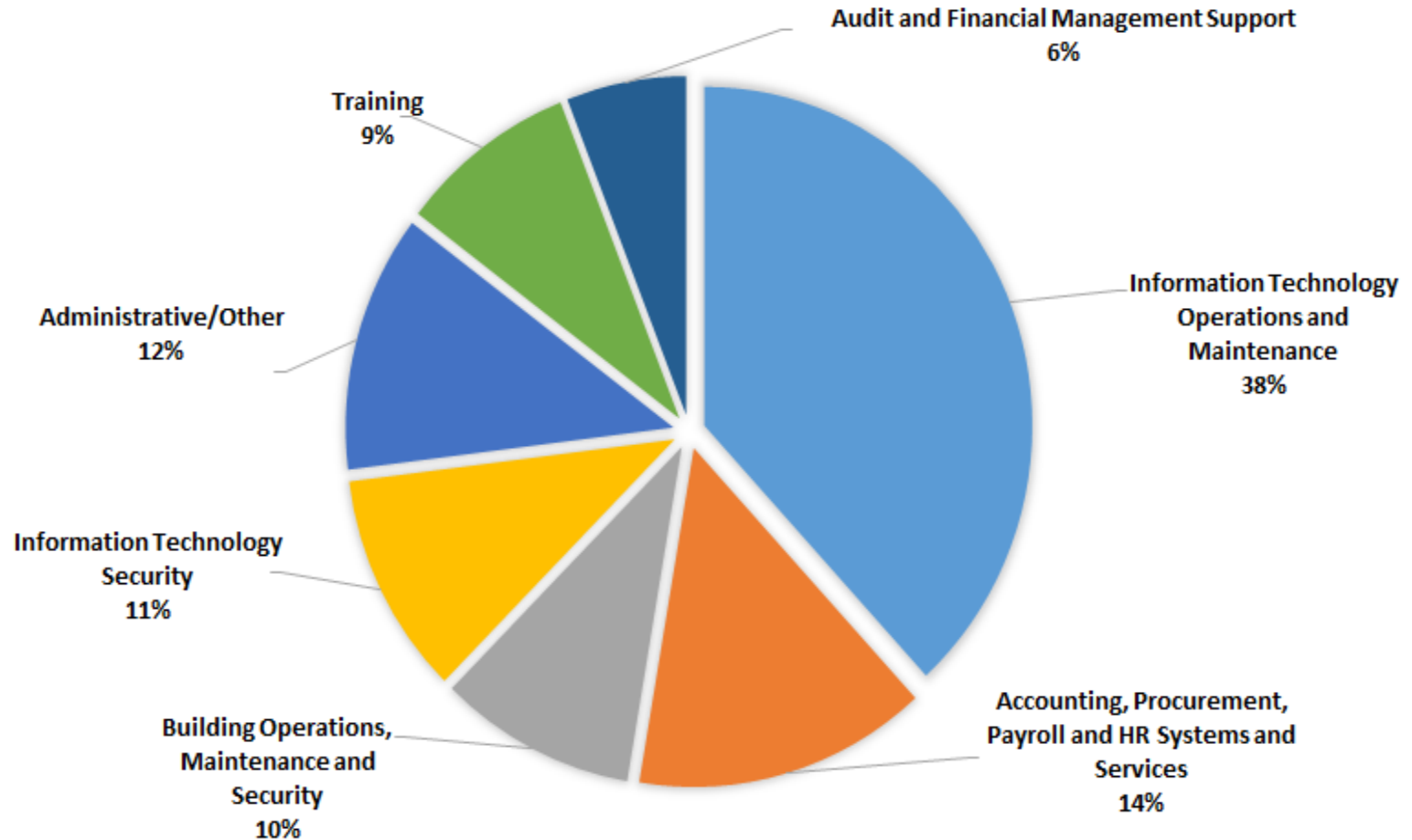
- ❖ Cost components support ongoing operations costs and include Federal Financial Institutions Examination Council (FFIEC) reimbursement fees, employee relocation expenses, recruitment and advertising, shipping, printing, meeting supplies and office materials
- ❖ Increased cost attributed to higher FFIEC cost sharing expected for 2018
- ❖ General administrative cost savings expected with reductions to recruitment and advertising, printing, supplies and shipping expenses

Contracted Services

\$millions	2017	2018	2019	Change 2017 to 2018	% Change 2018
BUDGET	\$ 33.3	\$ 35.0	\$ 36.0	\$ 1.7	5.1%

- ❖ Recurring contract support includes:
 - ❖ Building physical security and IT information security program
 - ❖ Administrative systems to support financial management services that include both accounting and travel
 - ❖ Examiner training requirements
 - ❖ Enterprise risk management and financial management modernization
 - ❖ IT support for enterprise architecture, website support, IT service desk, and IT modernization
 - ❖ Human resource business system replacement of legacy human resources and payroll system with modernized solution
 - ❖ Ongoing operations and maintenance costs for legacy and new systems

Contracted Services



2018 Budget = \$35M

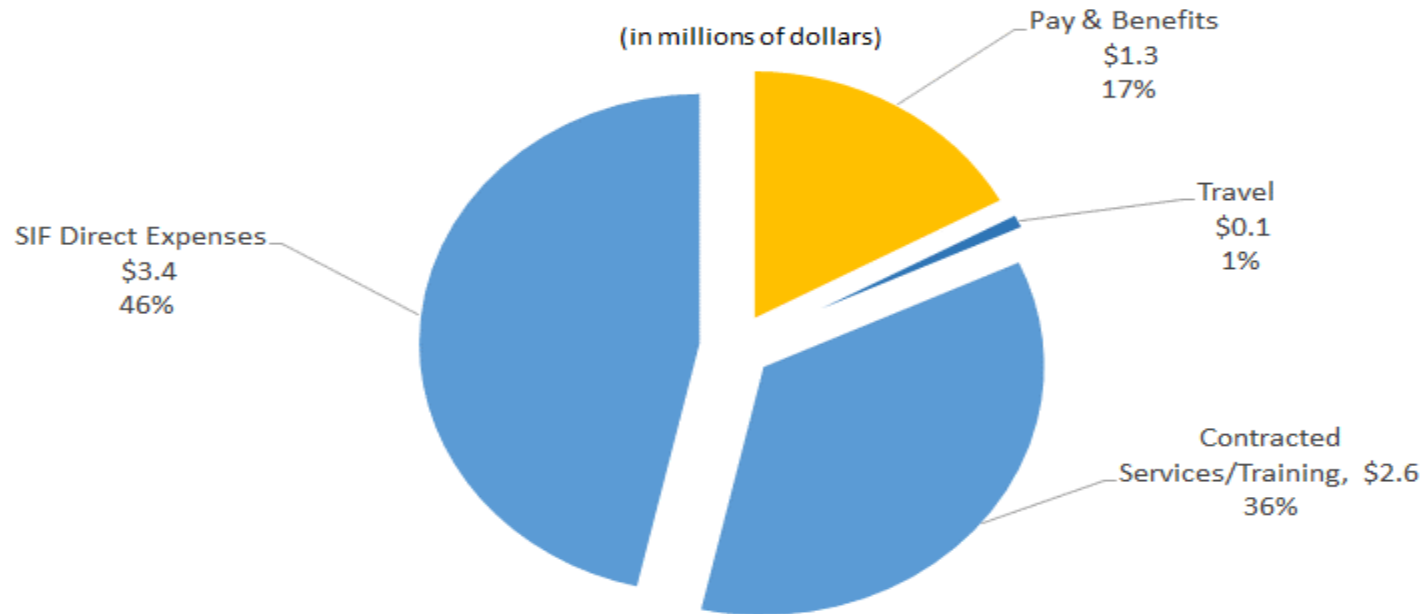
Capital Budget

Description 2018 Projects (\$ millions)	2017 Budget	2018 Budget	Change 2017/18	2019 Budget
IT software development investments <i>(Business Intelligence Tools and capability enhancement, AMAC servicing system solution, Enterprise Data Analytics Governance and Reporting Services, Asset and Liability Management Application, Human resource business solution, and Enterprise Learning Management system replacement)</i>	\$ 11.8	\$ 5.6	-\$ 6.2	\$ 15.1
IT hardware and system costs <i>(Enterprise laptop refresh, IT infrastructure platform and security refresh, agency modernization infrastructure support, agency web design and platform modernization, HMDA system, Credit and deposit analytic solution.)</i>	\$ 2.2	\$ 9.0	\$ 6.8	\$ 5.5
Capital building improvements and repair projects <i>(General building renovations and improvements)</i>	\$ 1.8	\$ 0.8	-\$ 1.0	\$ 0.6
Total	\$ 15.8	\$ 15.4	-\$ 0.4	\$ 21.1

Share Insurance Fund Administrative Budget

\$millions	2017	2017 (Restated)	2018	2019	Change 2017/18	Percent Change 2018
BUDGET	\$ 4.1	\$ 10.1	\$ 7.4	\$ 7.5	-\$ 2.7	-26.6%
FTE	5	5	5	5	0	0.0%

Share Insurance Fund 2018 Administrative Budget



Share Insurance Fund Administrative Budget

2018 - 2019 SHARE INSURANCE FUND BUDGET									
By Cost Category	2017 Board Approved Stabilization Budget	2017 Restated Budget (includes Stabilization Fund closure)	2018 Requested Budget	Change (2017- 18)	Change Percent (2017 -18)	2019 Requested Budget	2018 FTE	2019 FTE	
Employee Pay and Benefits	\$ 1,193,000	\$ 1,193,000	\$ 1,260,000	67,000	5.6%	\$ 1,330,000	5	5	
Travel	70,000	70,000	75,000	5,000	7.1%	75,000			
Administrative (NGN Staff Training)	19,000	19,000	30,000	11,000	57.9%	30,000			
Support for NCUA Guaranteed Note Program:	2,808,000	2,808,000	2,586,000	(222,000)	-7.9%	2,594,000			
Consulting	923,000	923,000	695,000	(228,000)	-24.7%	700,000			
Valuation Services	1,080,000	1,080,000	1,080,000	-	0.0%	1,080,000			
Software/Data Subscriptions	805,000	805,000	811,000	6,000	0.7%	814,000			
Share Insurance Fund Direct Expenses:		5,965,000	3,425,000	(2,540,000)	-42.6%	3,425,000			
State Examination computer leases		500,000	500,000	-	0.0%	500,000			
State Examination Training		1,025,000	1,025,000	-	0.0%	1,025,000			
Stress testing for large credit unions		3,920,000	1,450,000	(2,470,000)	-63.0%	1,450,000			
Financial Audit Support		520,000	450,000	(70,000)	-13.5%	450,000			
Total	\$ 4,090,000	\$ 10,055,000	\$ 7,376,000	\$ (2,679,000)	-26.6%	\$ 7,454,000	5	5	

One-Time Agency Reform Costs

- ❖ As discussed, the NCUA 2018-2019 budget incorporates the on-going budgetary savings and expenses associated with the Reform Plan.
- ❖ Outside this budget, the NCUA also expects to have one-time costs associated with the transformation. The planned source of the one-time costs is savings from 2017 operations.
- ❖ One-time costs are estimated to be approximately \$9.5 million, which is for expenses such as:
 - ❖ Employee separation expenses
 - ❖ Employee relocation expenses
 - ❖ Facilities alterations
 - ❖ Studies on data management and analytics

Conclusion

- ❖ The 2018-2019 budget is a measured request, built in conjunction with the Agency Reform Plan.
- ❖ The budget includes expenditures needed to ensure the NCUA can successfully execute its mission and strategic goals.
- ❖ The NCUA will implement operating efficiencies that will reduce staffing requirements and invest in information technology and data analytics to improve agency performance.
- ❖ The NCUA has been reducing the budget growth for five straight years.

Transparency: Budget Resource Center

Key NCUA Budget and Supplementary Materials:

<https://www.ncua.gov/About/Pages/budget-strategic-planning/supplementary-materials.aspx>

Operating Fund Board Action Memorandum

- Approves projects and spending for all NCUA offices

Budget in Brief

- Executive Summary of the approved budget

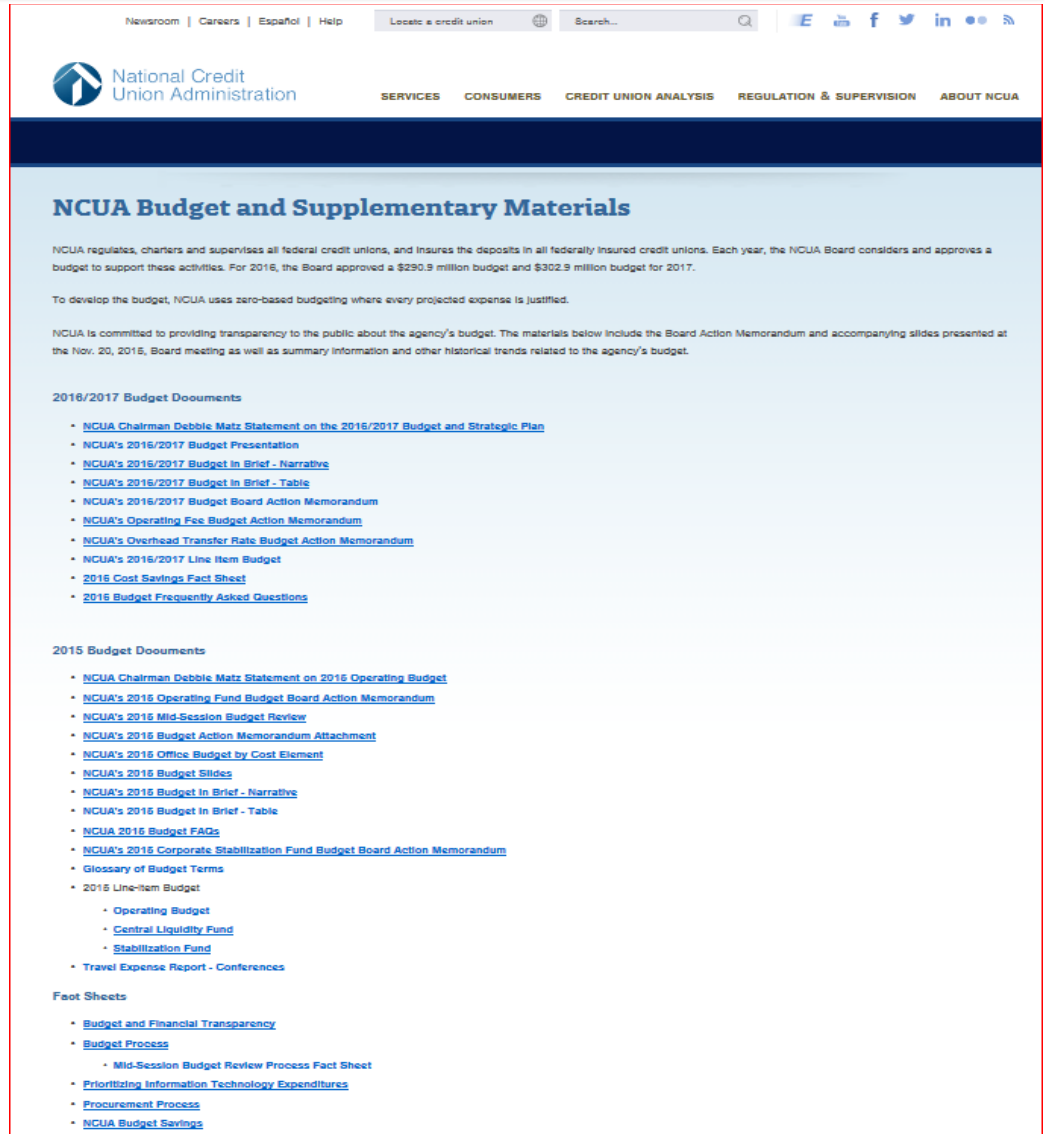
Fact Sheets

- Short informational summary of NCUA key processes

Budget Detail

- Office budget line item detail

2018-2019 Budget Briefing



The screenshot shows the NCUA website's 'Budget and Supplementary Materials' page. The header includes navigation links for Newsroom, Careers, Español, Help, and a search bar. The main content area is titled 'NCUA Budget and Supplementary Materials' and contains introductory text about the NCUA's budgeting process. It lists two categories of documents: '2016/2017 Budget Documents' and '2015 Budget Documents'. Each category contains a list of links to various budget-related materials, including statements, presentations, briefs, memorandums, and fact sheets. The page is designed with a blue and white color scheme and a clear, organized layout.

Newsroom | Careers | Español | Help | Locate a credit union | Search...

National Credit Union Administration

SERVICES CONSUMERS CREDIT UNION ANALYSIS REGULATION & SUPERVISION ABOUT NCUA

NCUA Budget and Supplementary Materials

NCUA regulates, chartered and supervises all federal credit unions, and insures the deposits in all federally insured credit unions. Each year, the NCUA Board considers and approves a budget to support these activities. For 2016, the Board approved a \$290.9 million budget and \$302.9 million budget for 2017.

To develop the budget, NCUA uses zero-based budgeting where every projected expense is justified.

NCUA is committed to providing transparency to the public about the agency's budget. The materials below include the Board Action Memorandum and accompanying slides presented at the Nov. 20, 2016, Board meeting as well as summary information and other historical trends related to the agency's budget.

2016/2017 Budget Documents

- [NCUA Chairman Debbie Matz Statement on the 2016/2017 Budget and Strategic Plan](#)
- [NCUA's 2016/2017 Budget Presentation](#)
- [NCUA's 2016/2017 Budget in Brief - Narrative](#)
- [NCUA's 2016/2017 Budget in Brief - Table](#)
- [NCUA's 2016/2017 Budget Board Action Memorandum](#)
- [NCUA's Operating Fee Budget Action Memorandum](#)
- [NCUA's Overhead Transfer Rate Budget Action Memorandum](#)
- [NCUA's 2016/2017 Line Item Budget](#)
- [2016 Cost Savings Fact Sheet](#)
- [2016 Budget Frequently Asked Questions](#)

2015 Budget Documents

- [NCUA Chairman Debbie Matz Statement on 2015 Operating Budget](#)
- [NCUA's 2015 Operating Fund Budget Board Action Memorandum](#)
- [NCUA's 2015 Mid-Session Budget Review](#)
- [NCUA's 2015 Budget Action Memorandum Attachment](#)
- [NCUA's 2015 Office Budget by Cost Element](#)
- [NCUA's 2015 Budget Slides](#)
- [NCUA's 2015 Budget in Brief - Narrative](#)
- [NCUA's 2015 Budget in Brief - Table](#)
- [NCUA 2015 Budget FAQs](#)
- [NCUA's 2015 Corporate Stabilization Fund Budget Board Action Memorandum](#)
- [Glossary of Budget Terms](#)
- 2015 Line-Item Budget
 - [Operating Budget](#)
 - [Central Liquidity Fund](#)
 - [Stabilization Fund](#)
- [Travel Expense Report - Conferences](#)

Fact Sheets

- [Budget and Financial Transparency](#)
- [Budget Process](#)
 - [Mid-Session Budget Review Process Fact Sheet](#)
- [Prioritizing Information Technology Expenditures](#)
- [Procurement Process](#)
- [NCUA Budget Savings](#)



Office Contact Page

Feel free to contact our office with questions or comments.

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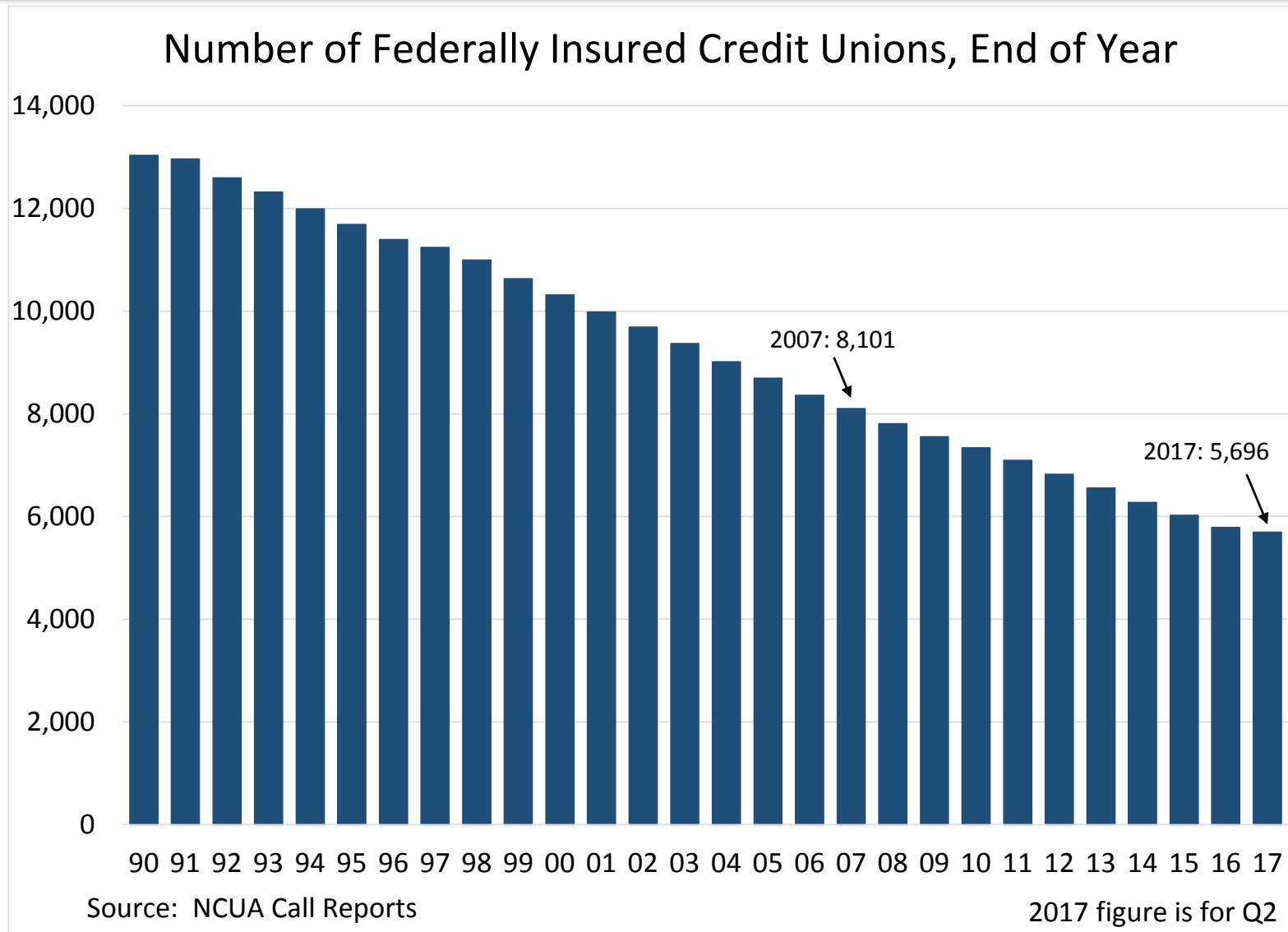
Website:

<https://www.ncua.gov/About/Pages/budget-strategic-planning/supplementary-materials.aspx>

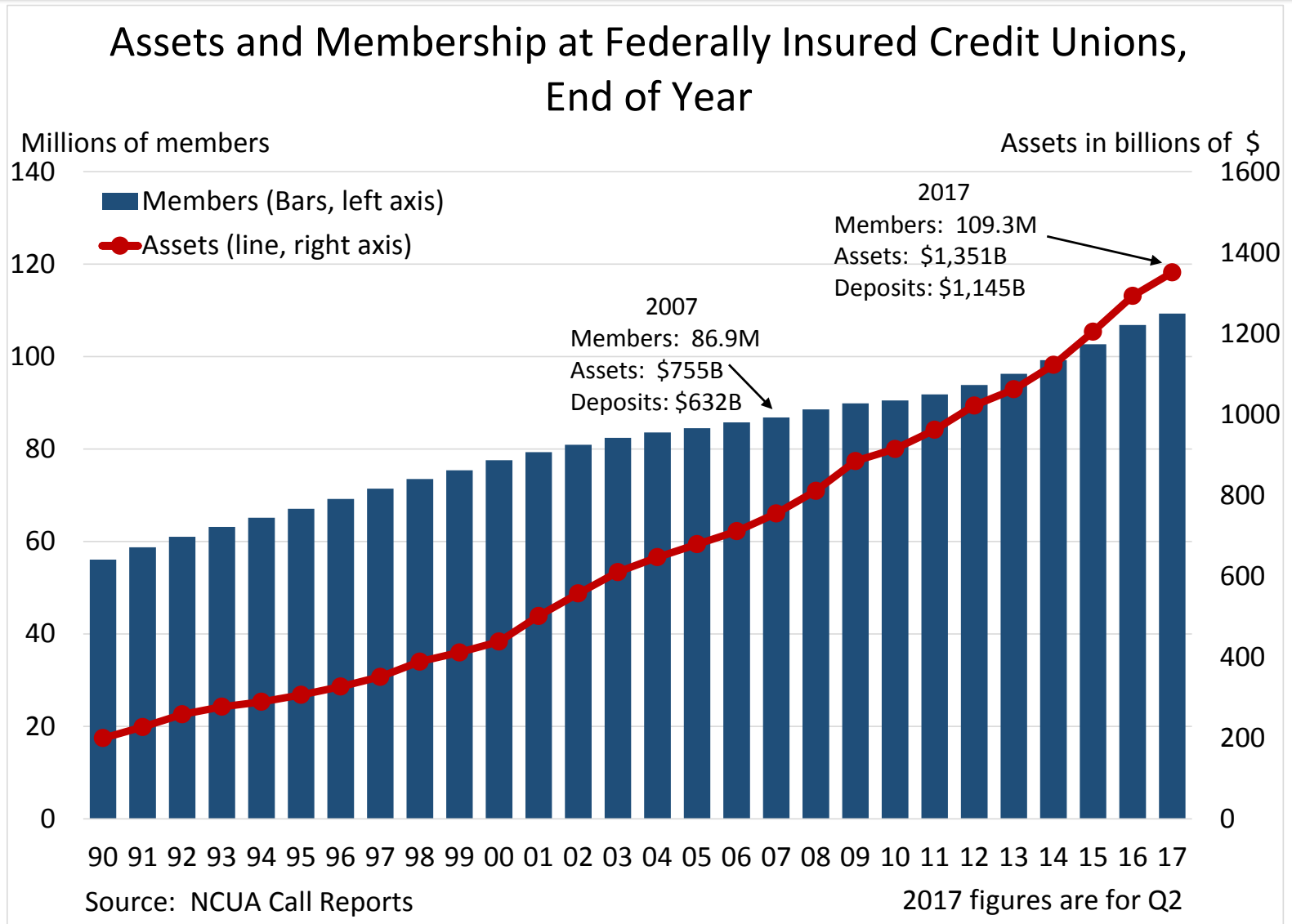
Supplemental Budget Information

- ❖ Industry and NCUA Trends (graphs)
- ❖ The NCUA Funds
- ❖ Budget Background

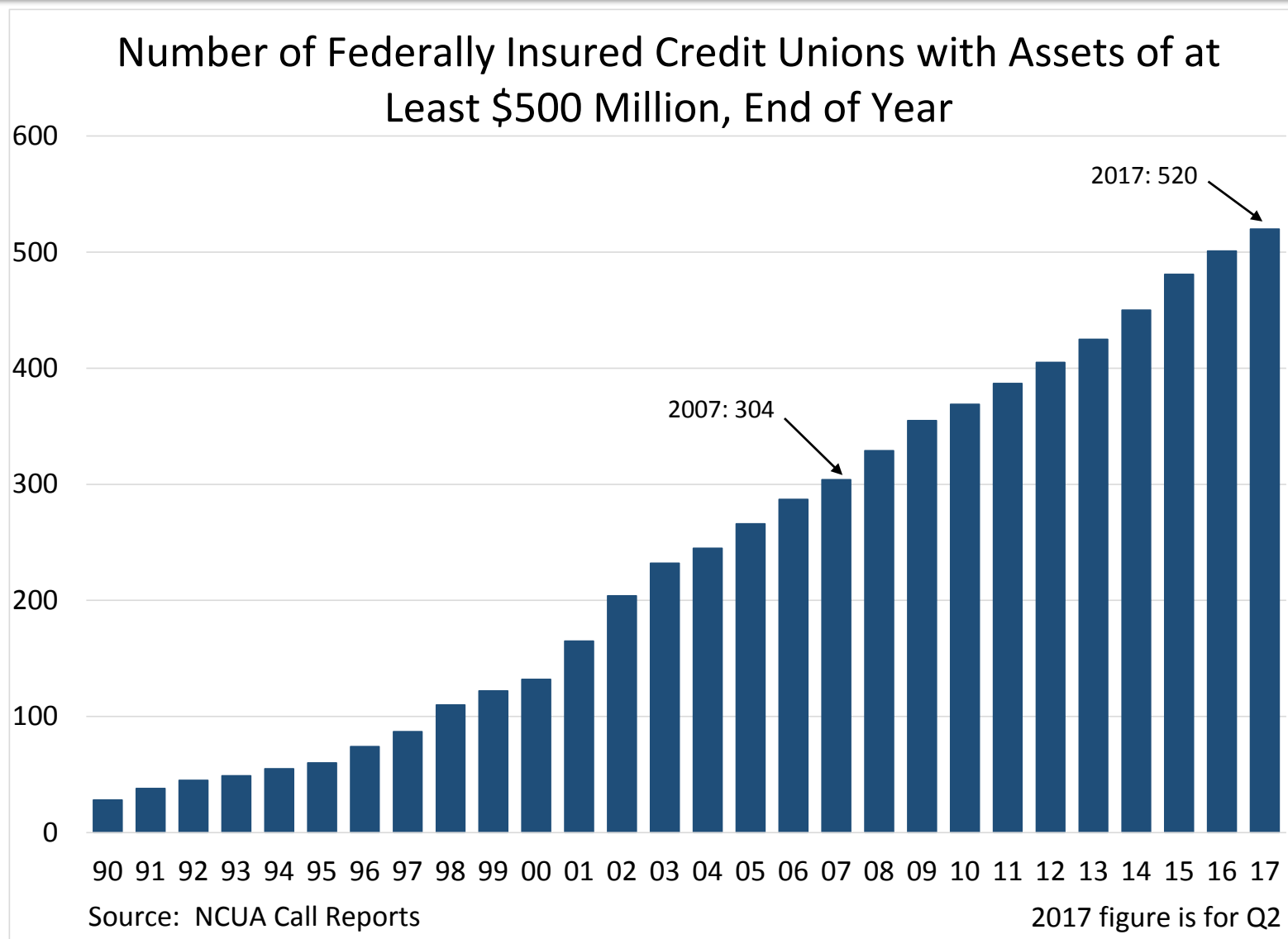
Number of institutions is falling...



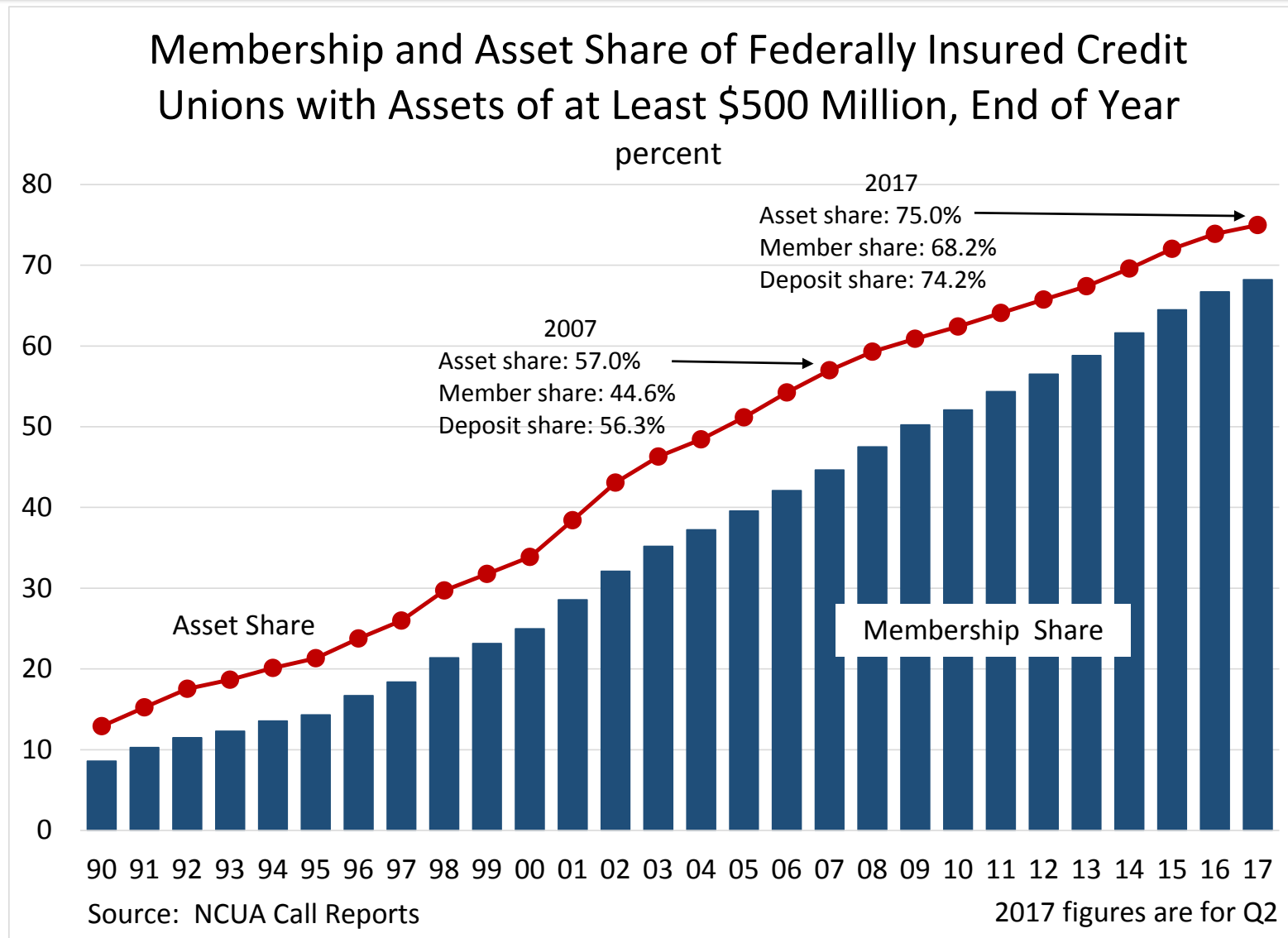
...but membership and assets are rising.



The number of large credit unions is rising...

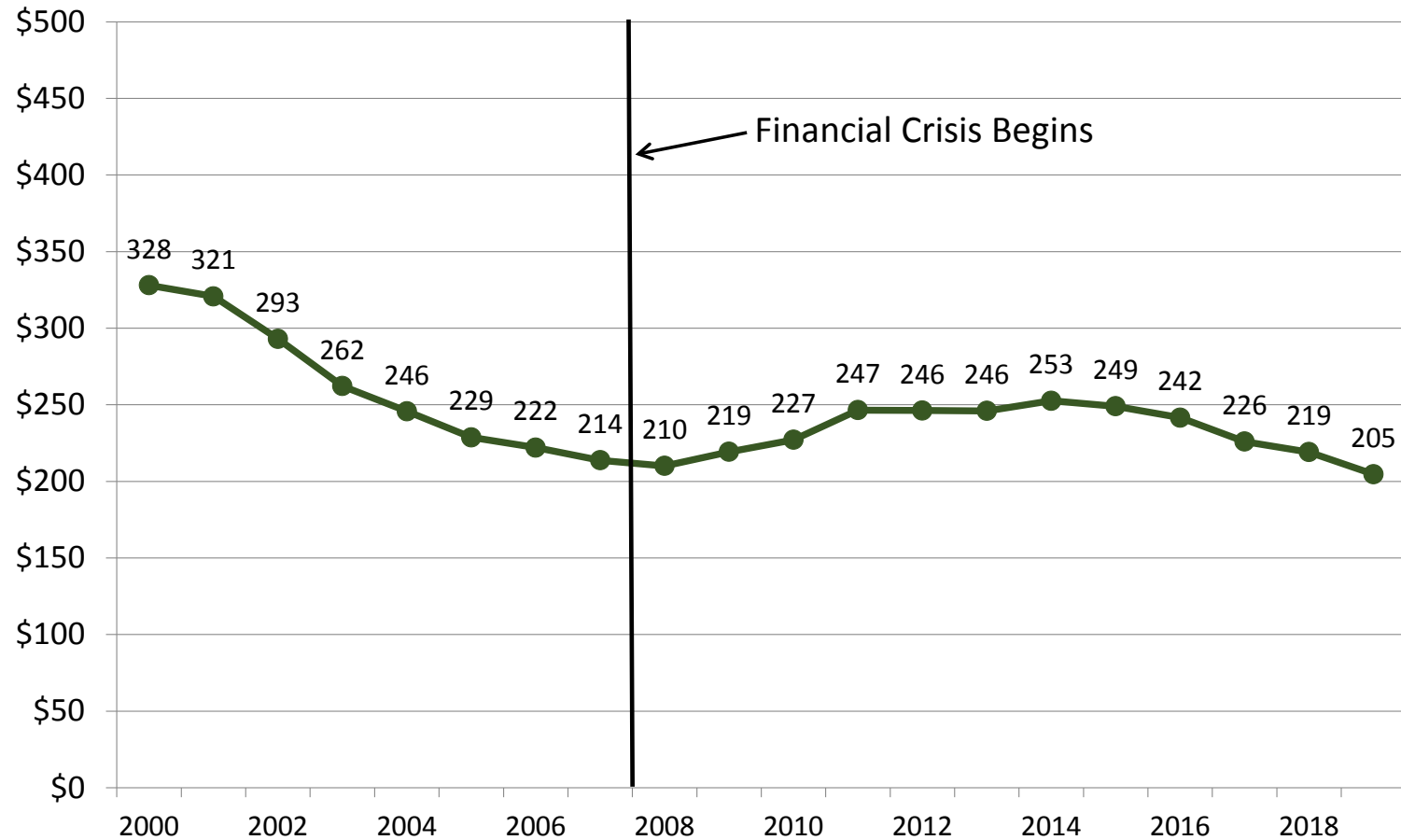


...and they account for most of the members and assets in the system.



The NCUA Costs per FICU Assets Are Coming Down

NCUA Budget per Million \$ of FICU Assets

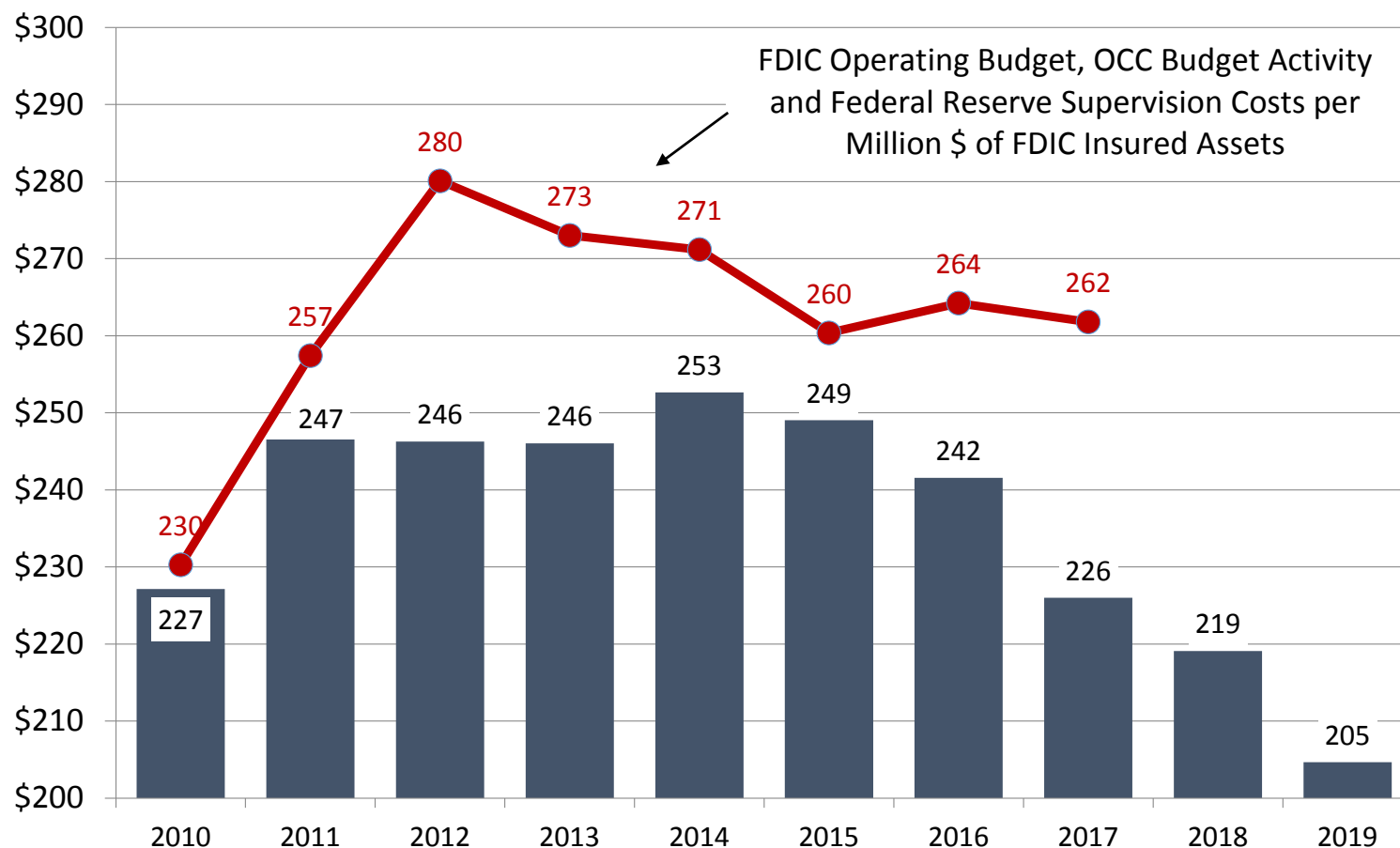


Source: NCUA Annual Budgets, Call Reports

* FICU assets are as of end of previous year.

The NCUA Costs per FICU Assets Compared to Bank Agency Costs

NCUA Budget per Million \$ of FICU Assets



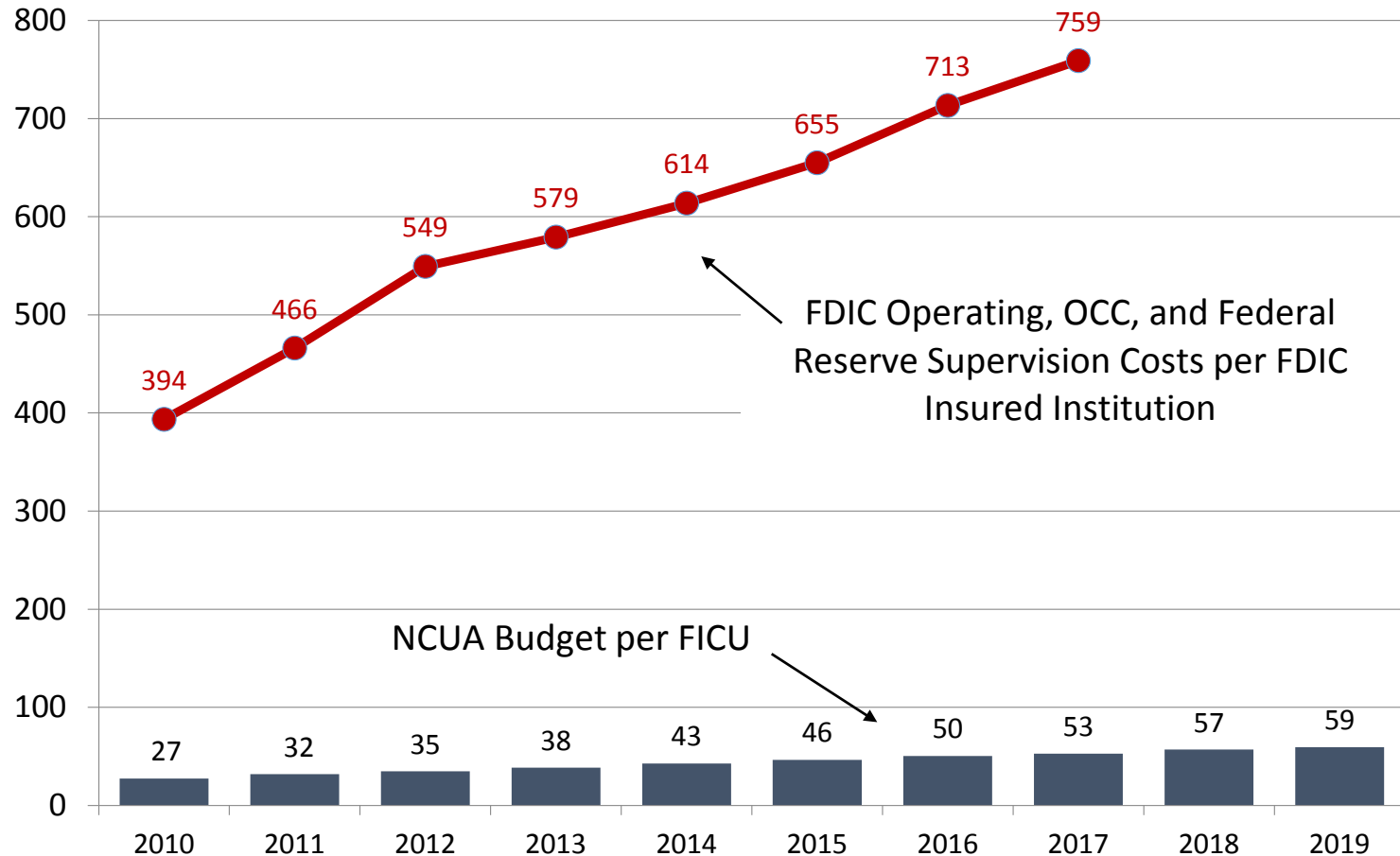
Source: NCUA Annual Budgets, Call Reports, FDIC, OCC, and Federal Reserve financial reports

* Assets are as of end of previous year.

The NCUA Costs per Institution Compared to Bank Agency Costs

NCUA Budget per Federally Insured Credit Union

thousands of dollars



Source: NCUA Annual Budgets, Call Reports, FDIC, OCC, and Federal Reserve financial reports

The NCUA: Five Revolving Funds

1. Operating Fund

Per the Federal Credit Union Act, the management of the Administration is vested in the National Credit Union Administration (NCUA) Board. The Board approves the Operating Fund budget to pay the expenses necessary to carry out its responsibilities under the Act.

2. Share Insurance Fund

The National Credit Union Share Insurance Fund is the federal fund created by Congress in 1970 to insure member's deposits in federally insured credit unions.

3. Temporary Corporate Credit Union Stabilization Fund

The Stabilization Fund budget includes the costs of the NCUA Guaranteed Notes (NGN) Securities Management and Oversight Committee as well as costs incurred by other NCUA offices in support of the Corporate System Resolution Program. This fund was closed September 30, 2017 and merged with the Share Insurance Fund.

4. Central Liquidity Fund

The CLF is a mixed ownership government corporation created to improve the general financial stability of credit unions by serving as a liquidity lender to credit unions experiencing unusual or unexpected liquidity shortfalls.

5. Community Development Revolving Loan Fund (appropriated)

The Community Development Revolving Loan Fund provides grants and loans to low-income designated credit unions.

The NCUA Budget Background

Funds Presented in the FY 2018 President's Budget

- ❖ National Credit Union Share Insurance Fund
- ❖ Operating Fund
- ❖ Temporary Corporate Credit Union Stabilization Fund
- ❖ Central Liquidity Facility
- ❖ Community Development Revolving Loan Program

1188 National Council on Disability—Continued Federal Funds—Continued				THE BUDGET FOR FISCAL YEAR 2018			
SALARIES AND EXPENSES—Continued Program and Financing—Continued							
Identification code 413-3000-0-1-506	2016 actual	2017 est.	2018 est.				
4010 Outlays, gross:				3070 Change in uncollected pymts, Fed sources, unexpired	-1	-1	-1
4011 Outlays from new discretionary authority	2	3	3	3090 Uncollected pymts, Fed sources, end of year	-63	-64	-65
4011 Outlays from discretionary balance	1	1	1	3100 Memorandum (non-add) entries:			
4020 Outlays, gross (total)	3	3	3	4100 Obligated balance, start of year	-30	-22	-25
4100 Budget authority, net (total)	3	3	3	3200 Obligated balance, end of year	-22	-25	-26
4190 Outlays, net (total)	3	3	3	Budget authority and outlays, net:			
The National Council on Disability (NCD), an independent Federal agency, is composed of nine members appointed by the President and the Congress. Established under the Rehabilitation Act of 1973, as amended by the Workforce Innovation and Opportunity Act, the NCD is responsible for reviewing the Federal Government's laws, programs, and policies which affect people with disabilities. The NCD also makes recommendations on issues affecting individuals with disabilities and their families to the President, the Congress, the Rehabilitation Services Administration, the National Institute on Disability, Independent Living, and Rehabilitation Research, and other Federal Departments and agencies.				Mandatory:			
Object Classification (in millions of dollars)				4090 Budget authority, gross	285	311	324
Identification code 413-3000-0-1-506	2016 actual	2017 est.	2018 est.	4100 Outlays, gross:			
Direct obligations:				4101 Outlays from new mandatory authority	248	274	324
11.1 Personal compensation: Full-time permanent	1	2	2	4101 Outlays from mandatory balances	28	39	
25.2 Other services from non-Federal sources	2	1	1	4110 Outlays, gross (total)	276	313	324
99.9 Total new obligations, unexpired accounts	3	3	3	4120 Offsets against gross budget authority and outlays:			
Employment Summary				4120 Offsetting collections (collected) from:			
Identification code 413-3000-0-1-506	2016 actual	2017 est.	2018 est.	4120 Federal sources	-202	-200	-209
1001 Direct civilian full-time equivalent employment	11	11	13	4123 Interest on Federal securities	-1	-1	-1
NATIONAL CREDIT UNION ADMINISTRATION				4124 Non-Federal sources	-1	-1	-1
Federal Funds				4124 Offsetting governmental collections	-81	-109	-113
Operating Fund				4130 Offsets against gross budget authority and outlays (total)	-284	-310	-323
Program and Financing (in millions of dollars)				4140 Additional offsets against gross budget authority only:			
Identification code 025-4056-0-3-373	2016 actual	2017 est.	2018 est.	4140 Change in uncollected pymts, Fed sources, unexpired	-1	-1	-1
0001 Obligations by program activity:				4170 Outlays, net (mandatory)	-8	3	1
0002 Examination and supervision	187	200	204	4180 Budget authority, net (total)	-8	3	1
0003 Administration	95	107	116	4190 Outlays, net (total)	-8	3	1
0004 Office of Inspector General	3	4	4	Memorandum (non-add) entries:			
0900 Total new obligations, unexpired accounts	285	311	324	5000 Total investments, SDF: Federal securities: Par value	58	64	64
Budgetary resources:				5001 Total investments, EDF: Federal securities: Par value	64	64	64
1000 Unobligated balance:				The mission of the National Credit Union Administration (NCUA) is to provide, through regulation and supervision, a safe and sound credit union system, which promotes confidence in the national system of cooperative credit. Credit unions are privately-owned, cooperative associations organized for the purpose of promoting thrift and creating a source of credit for their members. As of September 30, 2016, the total number of federally-chartered credit unions was 3,648 with total assets of more than \$663 billion.			
1001 Unobligated balance brought forward, Oct 1	90	90	90	NCUA, through its Operating Fund, conducts activities prescribed by the Federal Credit Union Act of 1934, which include: 1) chartering new Federal credit unions; 2) approving field of membership applications of Federal credit unions; 3) promulgating regulations and providing guidance; 4) performing regulatory compliance and safety and soundness examinations; 5) implementing and administering enforcement actions, such as prohibition orders, orders to cease and desist, orders of conservatorship and orders of liquidation; and 6) administering the National Credit Union Share Insurance Fund (Share Insurance Fund).			
Budget authority:				The NCUA funds its activities through operating fees levied on all Federal credit unions and through reimbursements from the Share Insurance Fund, which is funded by both Federal credit unions and federally-insured state-chartered credit unions.			
1800 Spending authority from offsetting collections, mandatory:				Object Classification (in millions of dollars)			
1801 Collected	284	310	323	Identification code 025-4056-0-3-373	2016 actual	2017 est.	2018 est.
1801 Change in uncollected payments, Federal sources	1	1	1	Reimbursable obligations:			
1850 Spending auth from offsetting collections, mand (total)	285	311	324	11.1 Personnel compensation:			
1900 Total budgetary resources available	375	401	414	11.1 Full-time permanent	147	153	159
Memorandum (non-add) entries:				11.3 Other than full-time permanent	1		
1941 Unexpired unobligated balance, end of year	90	90	90	11.9 Total personnel compensation	148	153	159
Change in obligated balance:				12.1 Civilian personnel benefits	58	62	63
3000 Unpaid obligations, brought forward, Oct 1	32	41	39	21.0 Travel and transportation of persons	27	29	29
3010 New obligations, unexpired accounts	285	311	324	23.3 Communications, utilities, and miscellaneous charges	5	7	7
3020 Outlays (gross)	-276	-313	-324	25.2 Other services from non-Federal sources	38	45	51
3090 Unpaid obligations, end of year	41	39	39	31.0 Equipment	9	15	15
3090 Uncollected payments:				99.9 Total new obligations, unexpired accounts	285	311	324
3090 Uncollected pymts, Fed sources, brought forward, Oct 1	-62	-63	-64				

The NCUA Budget Background

- ❖ **Calendar Year versus Government Fiscal Year**
- ❖ The NCUA operates on a calendar year
 - ❖ Budgets and financial reporting coincide with calendar year
 - ❖ The NCUA Operating Fee and Share Insurance Fund 1% deposit assessments are based on previous December 31 year-end balance of credit union assets and insured shares, respectively
- ❖ **Budget submissions to Congress**
 - ❖ NCUA's calendar year budgets are converted to the federal government's fiscal year