

U.S. DEPARTMENT OF THE TREASURY

Treasury Notes

Treasury's Lapse in Appropriations Contingency Plan

By: **Nani Coloretti** 9/27/2013

As Congress continues to consider a spending bill for the upcoming fiscal year, many Americans are understandably concerned about federal services and how a potential shutdown might affect them. Today, as part of our efforts to provide clear information about Treasury functions and services if Congress does not reach a funding agreement, we are releasing our updated contingency plans for the Department and its bureaus.

Department of the Treasury
Department-wide Lapse in Appropriations Contingency Plan Summary

Treasury is comprised of Departmental Offices (DO) and the bureaus. Each bureau under the Treasury has discrete functions, and has prepared lapse plans to as best as possible meet the needs of citizens based on the authorities available to that bureau. The DO plan, and the following bureau plans, are posted on this site: the Office of the Inspector General (OIG), the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), the Treasury Inspector General for Tax Administration (TIGTA), the Financial Crimes Enforcement Network (FinCEN), the Alcohol and Tobacco Tax and Trade Bureau (TTB), the Fiscal Service Bureau (Fiscal Service), and the Internal Revenue Service (IRS).

Operations of the following bureaus are funded from sources other than annual Congressional appropriations, and would operate normally if a government shutdown were to occur: the Office of the Comptroller of the Currency (OCC), the United States Mint, and the Bureau of Engraving and Printing (BEP). Additionally, Public Debt functions of the Fiscal Service are authorized to continue in the absence of annual appropriations by the Second Liberty Loan Act (31 USC 3129). Specific programs within DO and certain bureaus that are funded from other than annual appropriations are addressed within the individual plans (e.g., the Office of Financial Stability within the DO plan).

Excepted and Non-Excepted Activities

Below are examples of how a lapse in appropriations would impact Treasury's functions on behalf of taxpayers.

- **Treasury DO would continue to provide certain critical functions in a limited capacity**, such as management of the Government's cash position, the continuation of borrowing/debt programs, economic analysis, and implementation of tax policies and programs. It would continue to oversee operations of the Exchange Stabilization Fund (ESF). DO's Terrorism and Financial Intelligence office would continue collection, analysis and reporting of intelligence as well as the administration of the Specially Designated Nationals (SDN) list. Functions not funded from annual appropriations would continue, including the Office of Financial Stability (OFS), the Office of Financial Research (OFR), the Small Business Lending Fund (SBLF), the Financial Stability Oversight Council (FSOC), the State Small Business Credit Initiative (SSBCI) program, the DC Pensions Office, and the Treasury Executive Office of Asset Forfeiture (TEOAF). However, most policy and support functions, such as tax policy development, and regulation would be halted. In addition, the ability to address policy and financial market issues would be reduced and the analysis of global economic issues, macroeconomic rebalancing, and international banking reform would be discontinued.
- **Fiscal Service would maintain payments, collections, and daily cash management and processing of essential authority/appropriation transactions based on applicable statutes.** This includes resources to support disbursements of interest on the debt, disbursements of Social Security and other federal benefits, and maintaining critical government-wide accounting activities, as well as activities related to borrowing and tax collection.
- **IRS would halt non-automated collections and tax processing activities, but would continue activities necessary for the protection of government property.** These activities include, but are not limited to, processing tax payment remittances; computer operations necessary to prevent loss of data in process and revenue collections; retaining minimal personnel to maintain safe conditions for essential personnel; maintaining criminal law enforcement and undercover operations; and the protection of statute expiration, bankruptcy, liens and seizure cases. The IRS would halt taxpayer services such as responding to taxpayer questions, including telephone customer service functions.
- **If the government is closed, people with appointments related to examinations (audits), collections, Appeals or Taxpayer Advocate cases should assume their meetings are cancelled.** IRS personnel would reschedule those meetings at a later date.
- **The Shared Services Program (SSP) and the Administrative Resource Center (ARC) are not exempt.** However, they would not face an immediate exhaustion of funds due to balances in the Treasury Franchise Fund and continued reimbursements from some customer agencies. SSP and ARC would continue to provide services based on the customers' operating status.
- **TTB would halt its regulatory functions, non-criminal investigative activities and audit functions.** However, TTB would ensure that all tax remittances are processed because these functions are deemed necessary for safety and protection of property.
- **FinCEN would halt most Bank Secrecy Act regulatory and foreign and domestic law enforcement support functions**, but would provide some support for its domestic and foreign law enforcement customers as is deemed necessary for safety and protection of property.
- **TIGTA and OIG would halt audit activities**, but retain some investigative-only law enforcement functions necessary to protect life, property and continue felony criminal investigations.
- **SIGTARP and CDFI plan to use available prior year balances during a short lapse of appropriations.** In the event of a longer-term lapse, both bureaus would re-evaluate based upon a range of factors, including availability of funds.

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