

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

RECD IN RECORDS SECTION

MAR 30 1970

Date February 25, 1970.

Subject: 1969 Budget Performance Report.

To Board of Governors

From Office of the Controller

*JF*  
The 1969 Budget Performance Report is forwarded for Board consideration as an attachment to this memorandum. Total 1969 expenditures were \$2,996,000 under the total budget of \$19,584,000.

There are two significant changes in this Report from those of previous years. First, we have asked the Divisions to report performance during 1969 in terms of their programs as identified in the 1970 budget. This has created some artificiality in their reports of over- and under-expenditures by programs since the 1969 budget was not formulated on a program basis. Over- and under-expenditures by account, however, are in the same format as in previous reports. Second, we have asked the Divisions to prepare narrative statements for each of their programs which highlight:

- both accomplishments and lack of accomplishments resulting from program activities approved in the 1969 Budget;
- significant improvements in the use of resources to carry out approved 1969 program activities;
- significant problems resolved and issues outstanding; and
- reasons for program over- or under-expenditure.

The attached Report reflects these changes in varying degrees of completeness.

Expenditures for 1969 as discussed in the Report are compared with the 1969 Budget in the summary tables below:

OPERATING AND ANNEX BUILDING BUDGETS

The 1969 operating budget totaled	\$14,084,000
1969 operating expenses totaled	<u>15,555,000</u>
Overexpenditure	\$ 1,471,000
The Annex Building construction budget totaled	\$ 5,500,000
1969 expenditures were	<u>1,033,000</u>
Underexpenditure	\$ (4,467,000)
Combined Underexpenditure	<u>\$ (2,996,000)</u>

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PROGRAM CATEGORIES  
(\$000's)

<u>Program Category</u>	<u>1969 Budget</u>	<u>1969 Expenses</u>	<u>Percent of Budget</u>	<u>Over (Under) Budget</u>
Formulation of Monetary Policy	\$ 6,083	\$ 6,453	106	\$ 370
Supervision & Regulation of Financial Institutions	2,732	3,159	116	427
Financial Services for System, Government, & the Public	58	67	116	9
System Policy Direction & Board Support	<u>10,711</u>	<u>6,909</u>	<u>65</u>	<u>(3,802)</u>
Total	<u>\$19,584</u>	<u>\$16,588</u>	<u>85</u>	<u>\$(2,996)</u>

(Note: Data Processing and Retirement & Insurance costs have been distributed among the four categories above. They have not been distributed in Schedule A of the attached Report)

During the year a net of 58 positions was added to the 960 positions budgeted for 1969, resulting in a total of 1,018 authorized positions. At the year-end 901 positions were occupied. Of the 117 positions vacant, nearly half were summer or transitional positions.

The attached Report has been organized for the purpose of making a beginning toward developing answers to at least three conceptual questions:

- What contributions to the achievement of Board objectives were made by the Division programs?
- What resources were allocated to Division programs for the achievement of Board objectives?
- How efficiently and effectively were budgeted resources utilized?

Part I contains program performance reports prepared by the Divisions. Part II reviews 1969 expenditures by account, division, special project, or construction project. Tabular information in a variety of formats is presented in Part III.

Approval is specifically requested for the overexpenditures by Division shown in the Report under Schedule D of Part III, and explained by Division in Part II.

Approved  
Minutes  
3/19/70  
EJ