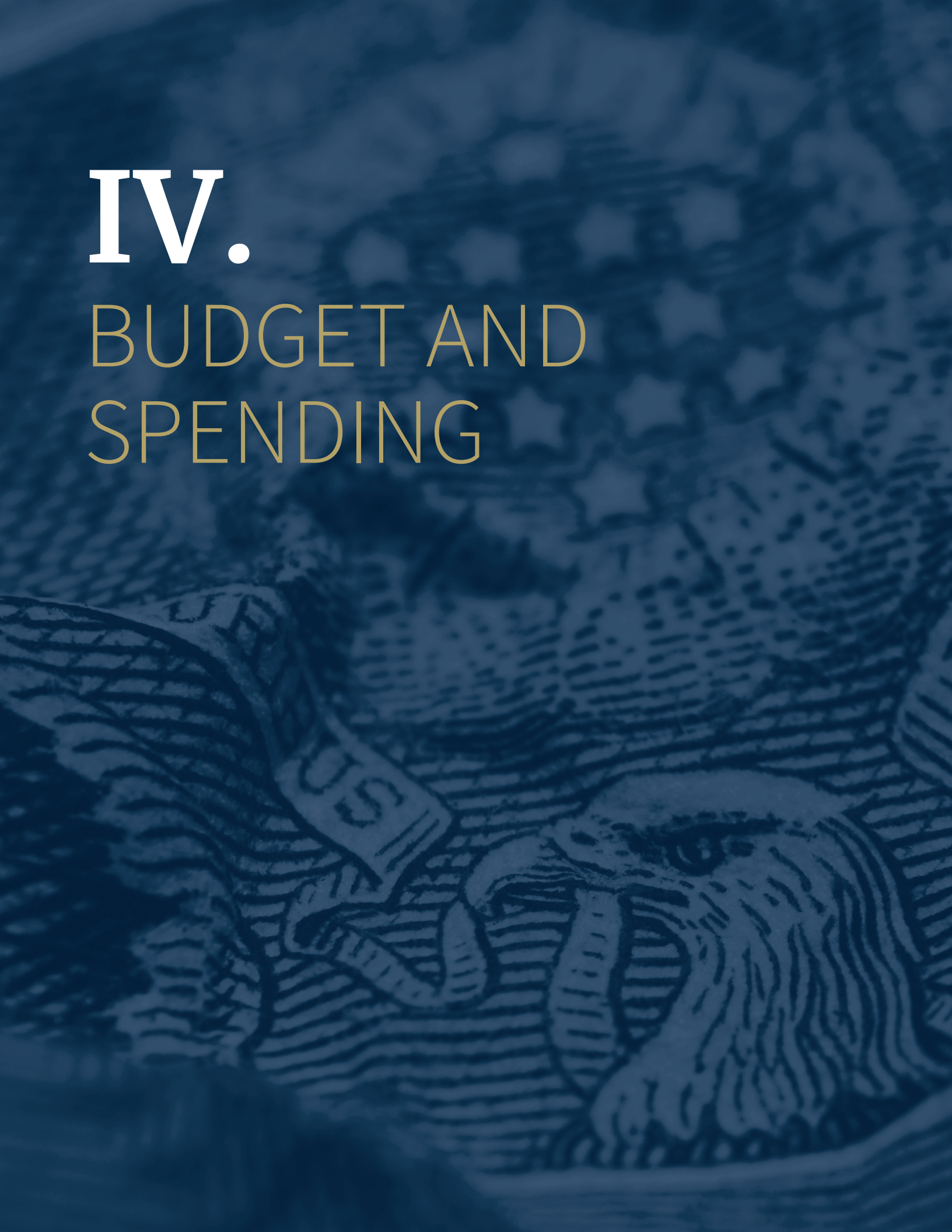


# IV.

## BUDGET AND SPENDING



## FDIC OPERATING BUDGET

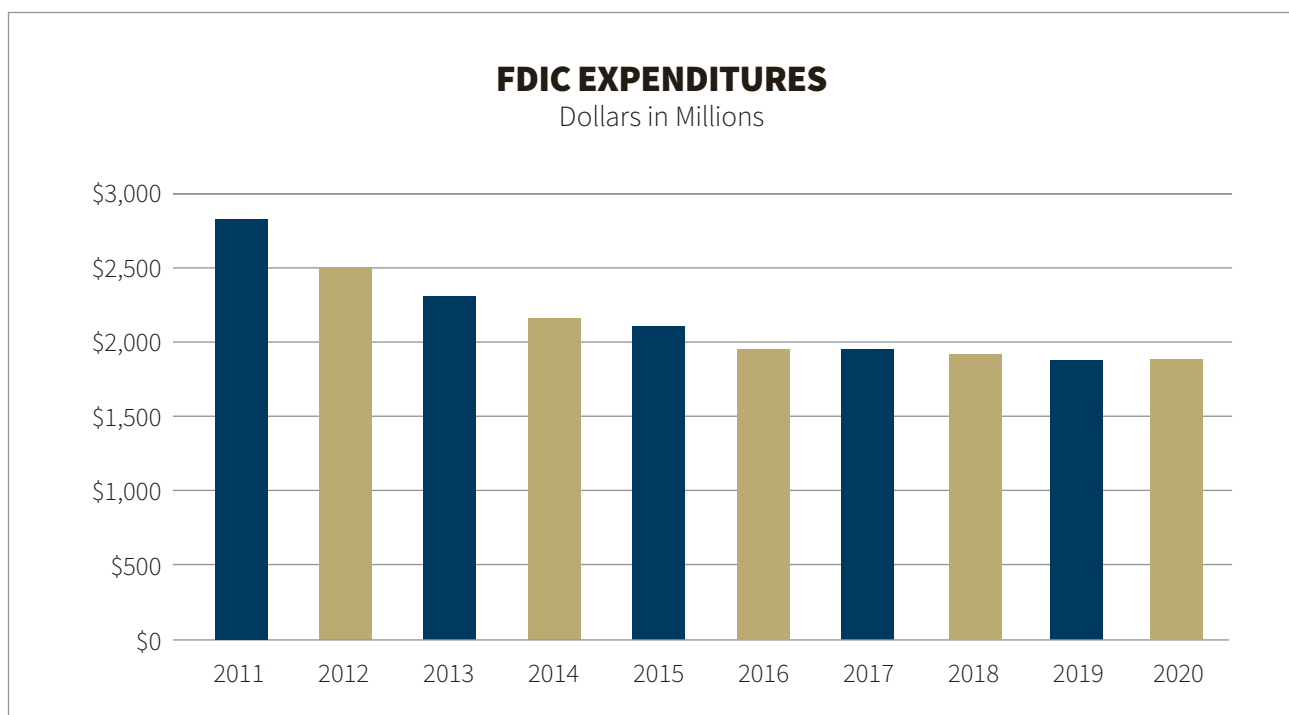
The FDIC segregates its corporate operating budget and expenses into three discrete components: ongoing operations, receivership funding, and the Office of Inspector General (OIG). The receivership funding component represents expenses resulting from financial institution failures and is, therefore, largely driven by external forces and is less controllable and estimable.

FDIC operating expenditures totaled \$1.9 billion in 2020, including \$1.8 billion in ongoing operations, \$41 million in receivership funding, and \$40 million for the OIG. This represented approximately 94 percent of the approved budget for ongoing operations, 54 percent of the approved budget for receivership funding, and 94 percent of the approved budget for the OIG for the year.

The approved 2021 FDIC Operating Budget of approximately \$2.3 billion consists of \$2.1 billion for

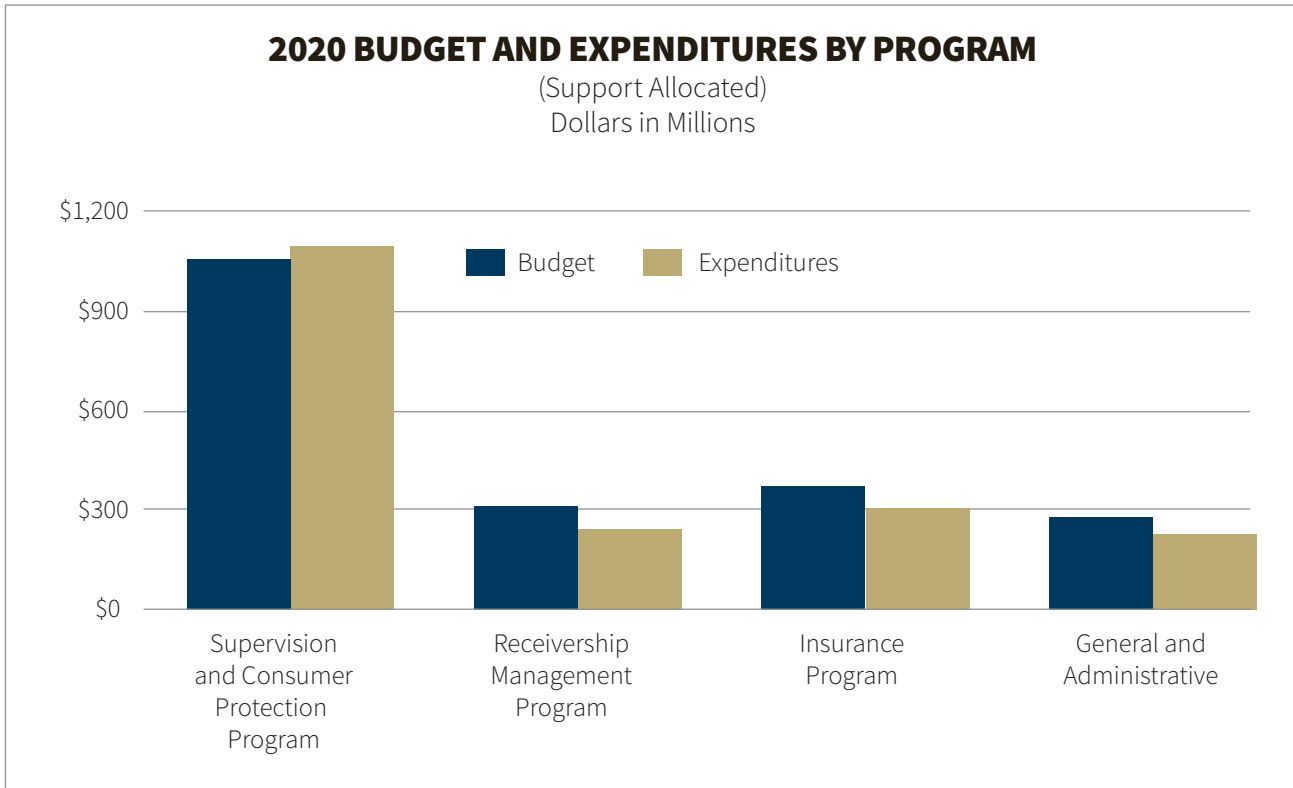
ongoing operations, \$175 million for receivership funding, and \$45 million for the OIG. The level of approved ongoing operations budget for 2021 is approximately \$159 million (8.4 percent) higher than the 2020 ongoing operations budget, while the approved receivership funding budget is \$100 million (133 percent) higher than the 2020 receivership funding budget. The 2021 OIG budget is \$2 million (4.5 percent) higher than the 2020 OIG budget.

As in prior years, the 2021 budget was formulated primarily on the basis of an analysis of projected workload for each of the Corporation’s three major business lines and its program support functions. The most significant factor contributing to the increase in the FDIC Operating Budget is the establishment of contingency reserves designed to address potential increases in supervision and failure related workload, which may result from the ongoing pandemic.



The FDIC’s *Strategic Plan* and *Annual Performance Plan* provide the basis for annual planning and budgeting for needed resources. The 2020 aggregate budget (for ongoing operations, receivership funding, OIG, and investment spending) was \$2.03 billion, while actual expenditures for the year were \$1.9 billion, about \$8 million higher than 2019 expenditures.

Over the past decade the FDIC’s expenditures have varied in response to workload. During the last several years, expenditures have fallen, largely due to decreasing resolution and receivership activity. To a lesser extent decreased expenses have resulted from supervision-related costs associated with the oversight of fewer troubled institutions.



## 2020 BUDGET AND EXPENDITURES BY PROGRAM

### (Excluding Investments)

The FDIC corporate operating budget for 2020 totaled approximately \$2.02 billion. Budget amounts were allocated as follows: \$1.06 billion or 52 percent, to the Supervision and Consumer Protection program; \$312 million or 16 percent, to the Receivership Management program; \$371 million, or 18 percent, to the Insurance

program; and \$278 million, or 14 percent, to Corporate General and Administrative expenditures.

Actual expenditures for the year totaled \$1.9 billion. Actual expenditures occurred as follows: \$1.1 billion, or 59 percent, to the Supervision and Consumer Protection program; \$242 million, or 13 percent, to the Receivership Management program; \$305 million, or 16 percent, to the Insurance program; and \$226 million, or 12 percent, to Corporate General and Administrative expenditures.

## INVESTMENT SPENDING

The FDIC instituted a separate Investment Budget in 2003 to provide enhanced governance of major multi-year development efforts. It has a disciplined process for reviewing proposed new investment projects and managing the construction and implementation of approved projects. Proposed IT projects are carefully reviewed to ensure that they are consistent with the

FDIC’s enterprise architecture. The project approval and monitoring processes also enable the FDIC to be aware of risks to the major capital investment projects and facilitate appropriate, timely intervention to address these risks throughout the development process. An investment portfolio performance review is provided to the FDIC’s Board of Directors on a quarterly basis. From 2011-2020 investment spending totaled \$110 million and is estimated at \$33 million for 2021.

