



Fact Sheet: Budget and Financial Transparency

Overview

The National Credit Union Administration (NCUA) is committed to financial transparency by regularly providing the public with information concerning its budget and spending.

NCUA discloses more information regarding its budget and spending than independent federal financial regulatory agencies are required to make available to the public. In fact, NCUA provides more financial information than its regulated credit unions are required to provide to their own members.

Monthly and Quarterly Financial Reports

NCUA's Chief Financial Officer reports quarterly to the NCUA Board at public meetings on the financial status of the National Credit Union Share Insurance Fund and the Temporary Corporate Credit Union Stabilization Fund. Video, audio and written transcripts of these public quarterly financial reports are posted on NCUA's [website](#) for a full year.

In addition, NCUA posts publicly monthly reports on the fiscal status of the four permanent funds and one temporary fund managed by the agency. These include:

- [Operating Fund](#)
- National Credit Union [Share Insurance Fund](#)
- [Central Liquidity Facility](#)
- [Community Development Revolving Loan Fund \(CDRLF\)](#)
- [Temporary Corporate Credit Union Stabilization Fund](#) (posted under the Board Meeting Calendar for each quarterly briefing)

Annual Financial Reports

The [NCUA website](#) hosts a dedicated page [Budget and Supplemental Materials](#). Further, NCUA's [Strategic Plan and Annual Performance Plans](#) are also released to the public. Finally, NCUA's [Audited Financial Statements](#) for all four permanent funds and the [Temporary Corporate Credit Union Stabilization Fund](#) are released publicly. Together, the audited statements, including all notes, provide a comprehensive picture of NCUA's spending and financial performance.

Each year, NCUA's Chief Financial Officer presents the proposed Operating Budget and Capital Budget during the public meeting of the NCUA Board in November. As part of this process, NCUA releases a Board Action Memorandum (BAM) that describes the proposed budgets in detail and requested staffing levels.

At the request of stakeholders, shortly after the NCUA Board approved the 2015 Operating Budget, the agency also posted non-aggregated budgets for each NCUA office. The non-aggregated budgets break down the top five budget components for each of the 15 Central Offices, five Regional Offices, and the Asset Management & Assistance Center.

In addition, the Chief Financial Officer also conducts a mid-session budget review and presents the results, including any proposed budget adjustments, to the NCUA Board's public meeting every July.

Please see NCUA's Budget Process Fact Sheet for more information concerning NCUA's budget development process.

Reading NCUA Financial Statements and Budget Materials

NCUA financial statement presentation and footnote disclosures are presented as required by Generally Accepted Accounting Principles (GAAP), as evidenced by all funds receiving a clean audit opinion from the independent auditor. Detailed expenditure information is presented on the face of the financial statements for the Operating Fund, Central Liquidity Facility, and Community Development Revolving Loan Fund.

For the Share Insurance Fund, expenditure data is aggregated within the principal financial statements as required by GAAP; however, *more detailed information can be found within the financial statement disclosures*. For example, on the face of the 2014 Share Insurance Fund's Statement of Net Cost, an aggregate balance is presented for Operating Expenses. However, within the financial statement footnotes, Operating Expenses are detailed by the following specific line item categories: Employee Salaries; Employee Benefits; Employee Travel; Contracted Services; Administrative Costs; and Rent, Communication, and Utilities.

In compliance with federal law, a portion of the Operating Budget is reimbursed from the Share Insurance Fund through the Overhead Transfer Rate. The percentage of the Operating Budget paid for by the Share Insurance Fund is also presented to the Board for approval each year at the open November Board meeting. NCUA's methodology for calculating the Overhead Transfer Rate was validated by an independent study which was also released publicly.

The Temporary Corporate Credit Union Stabilization Fund follows a similar budget formulation and presentation process with its annual budget now presented to the Board concurrently with the Operating Fund at the November open Board meeting, and is integrated into one Board Action Memorandum budget document.