
AGENCY OVERVIEW**Date:** 01/13/2011**413 Dept of Financial Institutions****Time:** 11:00:24

Statutory Authority

North Dakota Century Code Titles 6, 7, 13 and 51.

Agency Description

The Department of Financial Institutions is a self-funded regulatory agency responsible for the oversight of state banks, trust companies, building and loan associations, mutual investment corporations, mutual savings corporations, banking institutions, credit unions and other financial corporations doing business under the laws of the State of North Dakota. The Department conducts examinations to determine the soundness of the financial institutions and monitor compliance with applicable rules and regulations.

Agency Mission Statement

To maintain public confidence in North Dakota financial institutions by ensuring the financial industry operate in safe and sound manner while complying with applicable rules and laws.

Agency Performance Measures

1. Ensure the financial institutions operate in a safe and sound manner.
2. Examine all regulated entities within the timeframes prescribed by North Dakota statutes.
3. The maintenance of public confidence in regulated industries.
4. Provide for the opportunity for these industries to effectively service the convenience and needs of depositors, borrowers, and other customers, and to participate in and promote the economic progress of North Dakota.
5. Provide for the simplification and modernization of the laws governing the regulated industries.
6. To maintain a regulatory agency that consists of highly trained and experienced examiners to implement the mission, duties and responsibilities of the agency.
7. As regulators, we perform our duties in an ethical, unbiased, informed, and efficient manner.
8. Maintain the Department of Financial Institution's records management system to enhance efficiency and effectiveness.
9. Maintain examination staff at allotted FTE levels.
10. Operate the Department within budget parameters.

Major Accomplishments

1. Retained national accreditation for the bank and credit union divisions.
2. Maintained bank and credit union examination frequency within the requirements set by statute and federal regulations.
3. Issued administrative orders to problem institutions and closely supervised these institutions to ensure corrective programs were implemented Issued an increasing number of licenses to money brokers, collection agencies, deferred presentment service providers (payday lenders), and money transmitters.
4. Revised procedures to issue licenses in a more efficient manner.
5. Continued use of EDMS to enhance office work flow.

Future Critical Issues

1. Monitor economic conditions, to determine any affect the current and future economy may have on the safety and soundness of all regulated institutions. Continue to implement updated examination software programs available through the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) which improve the efficiency of examinations, provide better time management, use staff time and skills more efficiently, and make use of new and available technology.
2. Utilize off-site examination procedures to reduce onsite examination time. Offsite examination procedures are less disruptive to the financial institutions, reduce Department travel expenses, offer more productive examiner time, and improve morale.
3. Continue to conduct examinations and investigations of financial institutions for compliance with laws relating to banks, credits unions, money lenders, collection agencies, mortgage loan originator, deferred presentment service providers (payday lenders), and money transmitters.
4. Conduct investigations of complaints and alleged violations of laws, rules, and regulations.

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5. Analyze and accept filings for registration, renewal, or amendments, and recommend denials and/or other enforcement actions.
6. Have the ability to conduct all consumer examinations in a timely fashion.
7. Review renewal applications for 900+ licensees in a timely manner.
8. Retain staff to provide for management succession.
9. Be able to provide on going training to examination staff to ensure they meet technical competence.

REQUEST SUMMARY

413 Dept of Financial Institutions
Biennium: 2011-2013

Bill#: HB1008

Date: 01/13/2011

Time: 11:00:24

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
By Major Program					
Dept of Financial Inst	4,944,357	6,186,488	191,468	6,377,956	0
Total Major Program	4,944,357	6,186,488	191,468	6,377,956	0
By Line Item					
Salaries and Wages	3,843,008	4,862,225	210,175	5,072,400	0
Operating Expenses	1,084,906	1,304,263	(18,707)	1,285,556	0
Contingency	16,443	20,000	0	20,000	0
Total Line Items	4,944,357	6,186,488	191,468	6,377,956	0
By Funding Source					
General Fund					
Federal Funds					
Special Funds	4,944,357	6,186,488	191,468	6,377,956	0
Total Funding Source	4,944,357	6,186,488	191,468	6,377,956	0
Total FTE	27.00	29.00	0.00	29.00	0.00

REQUEST DETAIL413 Dept of Financial Institutions
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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Salaries and Wages					
Salaries - Permanent	2,922,805	3,605,550	230,922	3,836,472	0
Temporary Salaries	5,328	37,403	(37,403)	0	0
Overtime	1,597	3,672	(3,672)	0	0
Fringe Benefits	913,278	1,215,600	20,328	1,235,928	0
Total	3,843,008	4,862,225	210,175	5,072,400	0
Salaries and Wages					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	3,843,008	4,862,225	210,175	5,072,400	0
Total	3,843,008	4,862,225	210,175	5,072,400	0
Operating Expenses					
Travel	331,479	423,880	14,520	438,400	0
Supplies - IT Software	62,018	19,328	(3,128)	16,200	0
Supply/Material-Professional	13,826	15,030	2,770	17,800	0
Food and Clothing	50	0	0	0	0
Miscellaneous Supplies	101	1,580	120	1,700	0
Office Supplies	15,911	16,949	751	17,700	0
Postage	11,437	14,562	(4,062)	10,500	0
Printing	5,390	11,058	972	12,030	0
IT Equip Under \$5,000	48,295	10,600	52,816	63,416	0
Other Equip Under \$5,000	470	170	2,000	2,170	0
Office Equip & Furn Supplies	23,268	6,300	200	6,500	0
Insurance	5,475	10,702	398	11,100	0
Rentals/Leases-Equip & Other	10,050	9,316	(2,166)	7,150	0
Rentals/Leases - Bldg/Land	155,480	168,662	5,538	174,200	0
Repairs	0	1,150	0	1,150	0
IT - Data Processing	126,913	286,739	(115,499)	171,240	0
IT - Communications	34,533	40,281	(4,281)	36,000	0
Professional Development	143,066	124,540	13,060	137,600	0
Operating Fees and Services	66,726	63,580	11,420	75,000	0
Fees - Professional Services	30,418	79,836	5,864	85,700	0
Total	1,084,906	1,304,263	(18,707)	1,285,556	0
Operating Expenses					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	1,084,906	1,304,263	(18,707)	1,285,556	0

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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Total	1,084,906	1,304,263	(18,707)	1,285,556	0
Contingency					
Operating Fees and Services	16,443	20,000	0	20,000	0
Total	16,443	20,000	0	20,000	0
Contingency					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	16,443	20,000	0	20,000	0
Total	16,443	20,000	0	20,000	0
Funding Sources					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	4,944,357	6,186,488	191,468	6,377,956	0
Total Funding Sources	4,944,357	6,186,488	191,468	6,377,956	0

CHANGE PACKAGE SUMMARY

413 Dept of Financial Institutions
Biennium: 2011-2013

Bill#: HB1008

Date: 01/13/2011

Time: 11:00:24

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
Ongoing Budget Changes						
A-A 1 Lease/Rental Building		0.00	0	0	5,538	5,538
A-A 10 Professional Services		0.00	0	0	5,864	5,864
A-A 11 Professional Supplies		0.00	0	0	2,770	2,770
A-A 12 Professional Development		0.00	0	0	13,060	13,060
A-A 13 Postage		0.00	0	0	(4,062)	(4,062)
A-A 14 Printing		0.00	0	0	972	972
A-A 15 Insurance		0.00	0	0	398	398
A-A 17 Misc Supplies		0.00	0	0	120	120
A-A 18 IT Equipment Under \$5,000		0.00	0	0	52,816	52,816
A-A 2 Lease/Rental Equipment		0.00	0	0	(2,166)	(2,166)
A-A 3 IT Data Processing		0.00	0	0	(115,499)	(115,499)
A-A 4 IT Communications		0.00	0	0	(4,281)	(4,281)
A-A 5 IT Software		0.00	0	0	(3,128)	(3,128)
A-A 6 Travel		0.00	0	0	14,520	14,520
A-A 7 Office Equipment		0.00	0	0	2,200	2,200
A-A 8 Office Supplies		0.00	0	0	751	751
A-A 9 Operating Fees and Services		0.00	0	0	11,420	11,420
Base Payroll Change		0.00	0	0	210,175	210,175
Total Ongoing Budget Changes		0.00	0	0	191,468	191,468
Total Base Budget Changes		0.00	0	0	191,468	191,468

BUDGET CHANGES NARRATIVE

413 Dept of Financial Institutions

Bill#: HB1008

Date: 01/13/2011

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Change Group: A	Change Type: A	Change No: 1	Priority: 1
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Lease/Rental Building - Office space lease

Building Lease for main office space and field offices in Grand Forks and Fargo

Change Group: A	Change Type: A	Change No: 2	Priority: 2
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Lease/Rental Equipment - Copier Lease

Copier lease payments

Change Group: A	Change Type: A	Change No: 3	Priority: 3
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IT Data Processing - Data Processing

Data processing cost for the department

Change Group: A	Change Type: A	Change No: 4	Priority: 4
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IT Communications - Phone and Cell Phone Services

Phone and cell service for the Department.

Change Group: A	Change Type: A	Change No: 5	Priority: 5
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IT Software - Computer Software Programs

Purchase of computer software and software updates.

Change Group: A	Change Type: A	Change No: 6	Priority: 6
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Travel - Travel

Travel cost for exams and schools. Increase includes cost of airline, motor pool, hotels, etc.

Change Group: A	Change Type: A	Change No: 7	Priority: 7
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Office Equipment - Office Equipment and Furniture

Purchase of office furniture. Replacing the conference room chairs.

Change Group: A	Change Type: A	Change No: 8	Priority: 8
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Office Supplies - Supplies

BUDGET CHANGES NARRATIVE

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Purchase of office supplies

Change Group: A	Change Type: A	Change No: 9	Priority: 9
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Operating Fees and Services - Operating Fees

Includes fees an services such as OMB indirect costs.

Change Group: A	Change Type: A	Change No: 10	Priority: 10
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Professional Services - Legal Fees

Cost of legal fees with Attorney General Office.

Change Group: A	Change Type: A	Change No: 11	Priority: 11
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Professional Supplies - Supplies

Cost of professional supplies such as books and media.

Change Group: A	Change Type: A	Change No: 12	Priority: 12
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Professional Development - Tuition Fees

Increase in professional dues and increase cost for school and training.

Change Group: A	Change Type: A	Change No: 13	Priority: 13
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Postage - Office Postagae

Postage costs.

Change Group: A	Change Type: A	Change No: 14	Priority: 14
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Printing - Office Printing

Printing costs.

Change Group: A	Change Type: A	Change No: 15	Priority: 15
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Insurance - Office Insurance

Insurance costs.

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Change Group: A	Change Type: A	Change No: 17	Priority: 17
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Misc Supplies - Supplies Misc

Purchase of misc supplies not covered by Central Services.

Change Group: A	Change Type: A	Change No: 18	Priority: 18
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IT Equipment Under \$5,000 - IT Equipment Under \$5,000, Computer, etc.

Miscellaneous IT Equipment cost. This biennium we are replace all computer which will account for the increase in this line item. All computers where last replace in the 2007 -2009 biennium.