

BUDGET BOOT CAMP MODULE 3: BUDGET MANAGEMENT DOCUMENTS



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MODULE OVERVIEW

- Budget Management Documents – documents that agencies prepare and submit to SBD during the fiscal year to adjust their budget per legislative and statutory authority
- Budget Adjustment Requests (BARs)
 - Types and Authority
 - How to submit a complete BAR
 - Appropriate backup documentation
- Budgeting Nonrecurring Appropriations – OPBUD-4s and Allotment Forms
- Special Cases: Reauthorizations and Companions
- Adjusting Nonrecurring Appropriations – Budget Reallocation Forms (BRFs)
- Demonstrations for completing forms

SUBMISSION PROCESS FOR BARs, OPBUD-4s AND BRFs

- Email to DFASBD.Submissions@state.nm.us
- SBD Office Manager (or backup) will log in and route to analyst
- Include Excel version of BAR, OPBUD-4, or BRF Form
- Include all backup documentation as one PDF
- Include appropriate word in email subject line to aid in filtering:
 - BAR – Budget Adjustment Request
 - BRF – Budget Reallocation Form
 - OPBUD4 – The form utilized for nonrecurring appropriations

SBD REVIEW PROCESS

1. Office Manager logs into system, gives control number
 - 1a. BARs – Director does initial review for appropriate use of funds
2. Initial Analyst review
3. Team Lead review
4. Director or Deputy Director final review
 - 4a. Non-federal BARs – 10 day wait for LFC passive review. Can request waiver.
5. Posting

BUDGET ADJUSTMENT REQUESTS (BARs)

- Requests by agency to adjust current-year recurring operating budget (Section 4) according to authority granted by legislature in GAA, either general to all agencies or specific to that agency
- Agencies may do “internal” BARs that adjust budgets lower than the P-code level independent of DFA review. Any adjustment to a P-code level budget must be submitted to DFA.
- LFC has 10 day passive review of all P-code BARs except those involving federal funds
- Types
 - Budget Increase – Request to increase budget according to granted authority (never GF)
 - Budget Decrease – Request to decrease budget. Rare but can happen such as to align budget with federal grant amounts
 - Category Transfer – Request to transfer budget authority from one expenditure category to another
 - Program Transfer – Request to transfer budget authority from one P-code to another. Usually limited to specific agencies and/or programs denoted in GAA. Must transfer both expenditure^s and revenue budget.

STATUTORY AUTHORITY FOR BARS

- BAR Statutes: 6-3-23 through 6-3-25 NMSA 1978
- Special Revenue Fund Statutes
 - It is important to refer to language establishing special revenue funds in statutes, as this language will often dictate authority the agency has to increase the budget from this fund outside of the GAA.
 - “Money in the fund is appropriated to the department” = Agency has broad authority to submit increase BARs from this fund
 - “Money in the fund is subject to appropriation by the legislature” = Agency does not have authority to request increases beyond those allowed specifically in the GAA
 - Some funds do not have clear language. In such a case please consult your SBD analyst.

GAA AUTHORITY FOR BARS

- Note: Section labels may change slightly from year to year. Consult current authority document on SBD website.
- Section 3 (I)
 - Allows agencies with excess revenue from board of finance loans, other acts of the legislature, gifts, grants, donations, bequests, insurance settlements, refunds or payments into revolving funds to request budget increases
 - General authority used for federal grant increases
- Current FY BAR Authority section
 - Denotes specific authority to certain agencies to request budget adjustments for remainder of current FY

L. the board of veterinary medicine may request budget increases up to one hundred thousand dollars (\$100,000) from other state funds to make disbursements from the animal care and facility fund to qualifying animal shelters;

GAA AUTHORITY FOR BARS

- Next FY BAR Authority section
 - Establishes general authority granted to all agencies to request budget adjustments in next FY as well as specific authority granted to certain agencies
 - Subsection C: Authority for category transfers among PSEB, Contracts, and Other (not 500 category)
 - Subsection D: Authority for agencies with appropriations from Other State Funds or Transfers to request increases up to 5% of amount budgeted in Section 4.
 - Agencies that don't have broad authority to request increases from special revenue funds must follow this limit
 - Remember that OSF and Fund Balance are grouped together under OSF in GAA
 - If you have both OSF and Transfers, 5% authority to limited to each source separately, not combined (cannot use Transfers budget to increase OSF & vice versa)
 - Subsection E: list of authority granted to certain agencies by fund, program and/or purpose
 - Note that blanket program transfer authority to all agencies is rare

REQUESTING BAR AUTHORITY

- DFA issues guidance to agencies in the fall for submitting BAR authority requests to be considered for inclusion in next session's GAA
- Submit language requests with short justification to both DFA and LFC
- DFA and LFC recommend BAR authority for inclusion, LFC drafts bill. Opportunities for negotiation / revision during House and Senate process
- Note that program transfer authority, even if specific, is difficult to get approved

REQUEST FOR BUDGET ADJUSTMENT REQUEST, SECTION 4 OR SECTION 7 LANGUAGE					
<i>(Prepare separate forms for each request)</i>					
Business Unit Code:					
Agency:					
Program:					
Agency Contact/Phone:					
REQUEST TYPE					
FY20 BAR Language	FY21 BAR Language	Section 4 Language	Section 7 Language		
Language requested for inclusion in General Appropriations Act <i>(Please Follow Legislative Bill Drafting Conventions - See Instructions)</i>					

COMPONENTS OF A COMPLETE BAR

- BAR Form (Excel)
- Budget Journals (copies from SHARE, convert to PDF)
- BAR Narrative (create in Word, convert to PDF)
- Backup documentation depending on type of BAR, possibly including:
 - Copy of specific statutory authority (copy of general authority not needed – just citation)
 - Federal grant award and budget worksheet
 - 5% worksheet
 - SHARE reports showing budget availability for category decrease
 - Budget projections
- Utilize BAR Checklist on SBD's website to ensure complete submission

COMPLETING THE BAR FORM

INITIATING AGENCY NAME Department of Game and Fish		BUD REFERENCE 121		STATE OF NEW MEXICO		BUSINESS UNIT 516		DATE 9/2/2020	
INITIATING ORG NAME P717 Conservation Services		CLASS CODE E0000				BUDGET ADJUSTMENT REQUEST		FISCAL YEAR 2021	
SHARE Appropriation Budget Journal ID 0002891111									
FOR KEY ENTRY - FINANCIAL CONTROL DIVISION					ESTIMATED REVENUE ALLOCATION - FOR STATE BUDGET DIVISION				
BUDGETED APPROPRIATIONS	FUND/AGCY/P-Code	APPR UNIT CODE	AMOUNT INCREASE (I)	AMOUNT DECREASE (D)	GENERAL FUND	OTHER STATE FUNDS	INTERNAL SERV FUNDS/ INTERAGENCY TRANSFERS	FED. FUNDS CFDA NO.: 1542.11	CASH BALANCE
PSEB	19800/516/P717	200	\$100,000					100000	
Contracts	19800/516/P717	300	50,000					50000	

- Initiating Org: Pcode number and name
- Use Budref and Class for Section 4 budget for that FY
- Note proper format of Fund/Agcy/P-code entry (19800/516/P717). No 10-digit codes.
- Don't round or truncate numbers
- Include positive and negative lines in transfer BARs
- Break out revenue on right side

COMPLETING THE BAR FORM

SHARE Revenue Budget Journal ID 0002891112								
BUDGETED REVENUES	FUND/AGCY/P-Code	REVENUE SOURCE	AMOUNT INCREASE (I)	AMOUNT DECREASE (D)	STATUTORY AUTHORITY Laws 2020 2nd Session Ch. 83 Section 3 (I)			
Federal Grants	19800/516/P717	451903	150000		BAR TYPE 1. PROGRAM TRANSFER [] 2. CATEGORY TRANSFER [] 3. BUDGET INCREASE [X] 4. BUDGET DECREASE [] 5. CAPITAL PROJECTS (Multi-Year Budget)		FEDERAL FUNDS NO 10-DAY WAIT [X]	
					FOR DFA USE ONLY		CONTROL NUMBER	
						DATE	ACCEPT	REJECT
					ANALYST #1 REVIEW	_____	_____	_____
					ANALYST #2 REVIEW	_____	_____	_____
					DIRECTOR REVIEW	_____	_____	_____
TOTAL					FINAL POSTING	_____	_____	_____

- Be sure to include correct journal number(s)
- Include appropriate statutory authority from GAA, statutes, etc
- Complete revenue section which should tie to revenue above, include 6 digit code. Use correct equity code for fund balance BAR.
- Mark type of BAR and check “No 10 Day Wait” box if BAR utilizes exclusively federal funds.
- Ensure CFO or designee has signed form

COMPLETING THE BAR NARRATIVE

- Use correct narrative for type of BAR: Budget Increase, Budget Decrease, or Category Transfer (can be adapted for program transfers)
- Narrative justification of why BAR is necessary – complete thoroughly and accurately. Be specific about what funds are being used for.
 - Especially important for category transfers such as requests to move budget out of 200 category
 - Keep in mind that the Budget Director reviews BARs for appropriateness and the LFC will review later and may have questions
- Make sure information provided on narrative matches that on form, backup documents, etc.
- Examples of completed BARs with narratives will be posted on Boot Camp Training website

COMPLETING THE BAR JOURNALS

- Budget Entry Type: BARs are always Adjustments, even if setting up a “new” budget for a federal grant
- Entry Type is always BAR
- Ensure that budget increases and decreases have a REVENUE and APROP_P journal
- Ensure that a transfer BAR is created as a Budget Transfer journal
- Ensure that journals have been approved at all agency levels to be routed to DFA
- Department-level decrease journals for transfer BARs
 - Cannot be done as a transfer – must be done separately (first decrease, then increase)
 - Create and post department level decrease journal (Entry Type = AGY) before submitting BAR to DFA, include copy of posted journal in backup
 - After DFA posts BAR, create and post department level increase journal (otherwise it will error out – child exceeds parent budget)
- Refer back to Module 2 for full details on journal creation

BACKUP FOR FEDERAL INCREASE BARS

- Copy of grant award that details available funding amount and period of award
- Completed grant recon sheet showing any previous established budget and this BAR
- May consolidate more than one award into one BAR but need recons for each

Federal Grant Number: <u>1254.11</u>			
(Enter Data in Boxed Cells Only)			
Start	Total Grant Award from date of award to BAR date:		500,000
Less		-	
	Balance	=	500,000
Less	Amount Budgeted in Current FY OpBud:	-	100,000
	Balance	=	400,000
Less	Amount of previous BAR processed (BAR No. <u>220</u>):	-	200,000
	Balance	=	200,000
Total	AMOUNT AVAILABLE FOR THIS BAR:	=	200,000
Total	AMOUNT OF THIS BAR (NO. <u>221</u>):	-	150,000
Balance	Amount Remaining:	=	50,000

BACKUP FOR OTHER INCREASE BARS

- Special revenue fund statutes detailing authority to increase
- Copy of fund trial balance report showing available fund balance and correct equity code as well as fund balance reconciliation sheet
- Copy of MOU or similar document if receiving funds from other entity
- Completed 5% worksheet if using that authority to increase

P717 Conservation Services					
5% Worksheet					
List all BARs in the P-Code for this fiscal year to show cumulative use of 5% increase and remaining balance available..					
BAR #	Other State Funds Appropriation	5% limit	Amount used in BAR	Balance Remaining	
START	10,000,000	500,000			
BAR 1			250,000	250,000	
BAR 2			50,000	200,000	
BAR 3				200,000	
BAR 4				200,000	

BACKUP FOR TRANSFER BARS

- Up-to-date budget projections for P-code showing need for BAR
- Copy of posted department-level decrease journal
- Copy of SHARE budget status report showing sufficient budget in requested category to decrease

Budget Overview Results							Personalize	Find	View All			First	1-4 of 4	Last
		Fund▲	Dept▲	Account▲	Bud Ref	Class	Budget	Expense	Encumbrance	Available Budget*				
		18800	P549	200	121	E0000	796,400.00	0.00	0.00	796,400.00				
		18800	P549	300	121	E0000	504,100.00	0.00	504,100.00	0.00				
		18800	P549	400	121	E0000	14,831,700.00	0.00	5,375,000.00	9,456,700.00				

BAR 10 DAY WAIVER PROCESS

1. Complete BAR as normal – do not check “No 10 day wait” box on BAR form
2. Submit BAR to SBD, obtain 10 Day Waiver Form from Office Manager
3. Agency CFO must sign waiver form
4. Submit waiver form to LFC, must be signed by Director or Deputy Director
5. Return BAR and completed waiver form to SBD

BUDGETING NONRECURRING APPROPRIATIONS: OPBUD-4s

- Most commonly budgeting items from Sections 5, 6, and 7 of GAA. Occasionally other legislation. Not subject to 10 day review by LFC.
- Lump-sum: Agencies have authority to establish budget in different expenditure categories as needed, according to fulfilling the purpose of the appropriation.
 - Exception: May not establish budget in 500 category unless specifically directed by appropriation
- Table of Budget Codes
 - Produced by SBD after every legislative session, posted on SBD website
 - Establishes Z-codes, class codes, and budrefs for all nonrecurring appropriations in GAA and other legislation. Consult and include copy of relevant line when submitting OPBUD-4s

Sec	Item	Code	Agency	Z-Code	Class Code	Bud Ref	Description	End Date	FY	Purpose	Source of Funding	Appropriation Amount
5	4	218	ADMINISTRATIVE OFFICE OF THE COURTS	ZE5004	E5004	92024	L20, 2S, C83-S005-I004	6/30/2021	20-21	To upgrade information technology systems at district courts.	GF	\$ 500.0
5	5	218	ADMINISTRATIVE OFFICE OF THE COURTS	ZE5005	E5005	92024	L20, 2S, C83-S005-I005	6/30/2021	20-21	For a unified appropriation to the administrative office of the courts for equipment and vehicles at the district courts.	GF	\$ 200.0

COMPONENTS OF A COMPLETE OPBUD-4

- Complete, signed OPBUD-4 Form (Excel)
- Budget Journals – REVENUE and APROP_P
 - Budget Entry Type: Original (establishing new appropriation budget)
 - Entry Type: OPBUD-4
- Copy of appropriation line from Table of Budget Codes
- Backup dependent on type of appropriation:
 - Complete, signed allotment form if appropriation is from general fund, computer systems enhancement fund, or tobacco settlement fund
 - Copy of PCC certification letter if budgeting Section 7 IT appropriation, with certified amount matching what is being budgeted
 - Trial balance report if appropriation is from fund balance
 - Documentation that any contingencies in the appropriation have been met

COMPLETING THE OPBUD-4 FORM

OPBUD-4				
Agency Name Department of Cultural Affairs			Submission Approved by: _____	
Business Unit (Agency) 50500	Fund 19300	Class Code E5055	Print Name of Chief Financial Officer	
Appropriation End Date 06/30/21	Date 09/02/20	Budget Ref 92024	Signature of Chief Financial Officer	
Statutory Authority (Laws, Chapter, Section, Item, & Description)				
<i>SHOW AMOUNTS IN ACTUAL DOLLARS. FOR EXAMPLE, IF APPROPRIATION LISTS 1.5, IT SHOULD BE SHOWN AS 1,500. DO NOT INCLUDE CENTS.</i>				
APPROPRIATION (Budgeted Expenditures)			REVENUE (Budgeted Sources)	
SHARE Appropriation Budget Journal 2881544			SHARE Revenue Budget Journal 2881545	
Fund/Business Unit/Department			Fund/Business Unit/Department	
19300/505/ZE5055			Revenue Account Code	
Personal Services/	200	0	19300/505/ZE5055	499105
Employee Benefits				100,000
Contractual	300	50,000		0
Services				0
Other	400	50,000		0
Other	500	0		0
Financing Uses				
Total Appropriations			Total Revenue	
100,000			100,000	
Section 6 Certification: I, _____, certify that, based on current budget projections (supplemental request) or independent audit (deficiency request), that no other funds are available in FY21 for the purpose specified in this appropriation.				
Signature of Chief Financial Officer				

COMPLETING THE OPBUD-4 FORM

- Use corresponding info from Table of Budget Codes, including statutory citation
- CFO/designee should always sign top right section
- Set up expenditure category budget as desired to fulfill purpose of appropriation
- Use correct 6 digit revenue code (499105 for General Fund)
- Be sure to include both journal numbers
- Section 6 Certification: Only complete if appropriation is from Section 6 of the GAA, denoting an appropriation to fill a budget shortfall in the current or previous fiscal year
- Ensure all info on the budget journals matching the OPBUD-4 form

COMPLETING THE ALLOTMENT FORM

ALLOTMENT REQUEST FORM- SPECIAL APPROPRIATIONS (OPBUD4)							
Show amounts in whole dollars. For example: If the bill lists the appropriation as \$1.3, it should be shown as \$1,300							
AGENCY NAME		BUSINESS UNIT (Agency)		FISCAL YEAR		DATE	
Department of Cultural Affairs		50500		2021		9/2/2020	
FUNDING SOURCE						ALLOTMENT DISTRIBUTION TYPE	
<input checked="" type="checkbox"/> GENERAL FUND						<input type="checkbox"/> REGULAR	
<input type="checkbox"/> OTHER IF OTHER/SOURCE _____						<input checked="" type="checkbox"/> ACCELERATED	
BILL SHORT TITLE	LAWS, CHAPTER SECTION, SUBSECTION, ITEM	ITEM DESCRIPTION	FUND	DEPARTMENT CODE	CLASS CODE	BUD-REF CODE	AMOUNT
2020 GAA (HB2)	Laws 2020 Ch 83 Section 5 Item 55	To renovate the Museum of Natural History and Science	19300	ZE5055	E5055	92024	\$ 100,000.00

- Funding Source: If not GF, specify Computer Systems Enhancement Fund or Tobacco Settlement Fund
- Allotment Distribution Type: Accelerated (get all money at once)
- Otherwise use same info from bill and OPBUD-4 Form

SPECIAL APPROPRIATION REAUTHORIZATIONS

- If a nonrecurring appropriation is not spent entirely by its original end date, an agency can request an extension, typically granted for one additional fiscal year.
- Budgeted via normal OPBUD-4 process after original budget period is over
- Use same Z-code as original appropriation but new class code and budref per the Table of Budget Codes
- Budget must be for remaining balance of appropriation – include SHARE report showing balance as of last day (6/30) of original period
- Do not include allotment form – money was already sent

7	8	341	DEPARTMENT OF FINANCE AND ADMINISTRATION	Use prior Z- code	E7008	921	L20, 2S, C83-S007-I008	6/30/2021	21	The period of time for expending the one million two hundred fifty thousand dollars (\$1r 250r 000) appropriated from the computer systems enhancement fund in Subsection 8 of Section 7 of Chapter 73 of Laws 2018 to implement an enterprise budgeting system is extended through fiscal year 2021.
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COMPANION BARs AND OPBUD-4s

- Two possible use cases
 - Agency transfers funds from special revenue fund into operating budget and wants to increase OSF budget, thereby also increasing special revenue fund transfer. May even come from another agency in limited circumstances
 - Agency received nonrecurring appropriation from another agency's special revenue fund and therefore needs to receive transfer from that agency before it can spend the money. Agencies will need to coordinate.
- Procedure: 2 BARs or OPBUD-4s required (companions)
 - Budget with transfer revenue and expenditures in 200/300/400 as desired
 - Budget with original revenue (OSF or fund balance) and 500 category expenditure

Sec	Item	Code	Agency	Z-Code	Class Code	Bud Ref	Description	End Date	FY	Purpose
5	61	521	ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT	ZE5061	E5061	92024	L20, 2S, C83-S005-I061	6/30/2021	20-21	For the Carlsbad brine well remediation fund for expenditure in fiscal years 2020 and 2021 contingent on one million six hundred thousand dollars (\$1,600,000) of matching funds from the city of Carlsbad., Eddy county or other sources. The other state funds appropriation is from the corrective action fund.

BUDGET REALLOCATION FORMS (BRFs)

- Used for two purposes:
 - Changes to established nonrecurring appropriations. Usually a category transfer. Increases are only allowed for federal funds.
 - Courts use BRFs as BARs since GAA gives them lump-sum Section 4 appropriations (can set up expenditure categories as they wish)
- Not subject to 10 day LFC review
- Components of a complete BRF
 - BRF Form (Excel)
 - Budget journal(s). Budget Entry Type: Adjustment. Entry Type: BRF. Create Budget Transfer journal for category transfer BRFs.
 - Documentation of federal funding availability if applicable
 - SHARE report showing available budget for category transfer
 - Courts submitting BRFs for Section 4 budgets should provide same documentation as required for a BAR of that type (increase, category transfer, etc.)

COMPLETING THE BRF FORM

Control Number:									
Business Unit (Agency):		SHARE Journal ID:		Analyst #1 Review:		Date:			
505		2892199							
				Analyst #2 Review:		Date:			
				Director Review:		Date:			
Date:	Class Code:	Budget Reference:	92024	Final Posting:		Date:			
9/15/2020	E5055								
Budget Reallocation Form (BRF) Department of Finance & Administration- State Budget Division									
Fund/Business Unit/Program or Org				19300/505/ZE5055					
Funding Sources (Revenues, Transfers, Special Items)									
				SHARE Reallocation					
Code	Description			Increase		Decrease			
	Total			\$ -		\$ -			
Uses (Expenses, Other Financing Uses)									
				SHARE Reallocation					
	Category			Increase		Decrease			
200	Personal Services/Employee Benefits								
300	Contractual Services			50,000					
400	Other Costs					50,000			
500	Other Financing Uses								
	Total			\$ 50,000		\$ 50,000			
Supplies budget no longer needed; need to hire another design contractor									

- Use relevant Z-code, class, budref for the nonrecurring appropriation
- Courts – Use your P-code, class and budref for that FY's recurring budget if adjusting Section 4 budget
- Include brief justification for change to nonrecurring appropriation

END OF MODULE 3 – BUDGET MANAGEMENT DOCUMENTS

