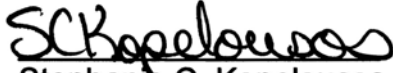


9/19/2012: Pen & Ink to correct statutory reference.

Approved:


Stephanie C. Kopelousos
Secretary

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LEGISLATIVE BUDGET PREPARATION, ALLOCATION AND ADMINISTRATION

PURPOSE:

To outline the processes used to prepare the Department of Transportation's (Department) Legislative Budget Request, allocate the annual approved budget and process various budget adjustments.

AUTHORITY:

Sections 20.23(~~34~~)(a), 334.048(3) 216.011, 216.013, 216.015, 216.023, 216.031, 216.177(2), 216.181, 216.292, and 339.135, Florida Statutes (F.S.)

SCOPE:

This procedure impacts the District and Central Office personnel who help prepare the **Legislative Budget Request**, allocate the resulting Legislative Appropriations, and administer adjustments of the appropriation.

DEFINITIONS:

APPROPRIATION: A legal authorization to make expenditures for specific purposes within the amounts authorized in the **General Appropriations Act**.

APPROPRIATION CATEGORY: The lowest level line item funding in the **General Appropriations Act**.

ALLOTMENT TRANSFER: A budget adjustment which transfers budget authority between cost centers and/or object codes within a single budget entity and a single appropriation category.

BUDGET AMENDMENT: A budget adjustment requested by the Department and approved by the Executive Office of the Governor (EOG) or the Legislative Budget Commission. It may transfer budget authority between entities, between appropriation

categories, or both. A budget amendment may also be used to increase budget authority under certain conditions.

BUDGET AMENDMENT PROCESSING SYSTEM (BAPS): A database created to process agency budget amendments as the amendment paperwork moves through the administrative process. BAPS provides for the data entry, printing, and submission of agency budget amendments.

BUDGET AUTHORITY: Spending authority approved by the Legislature in the *General Appropriations Act* or other bills which is used by the Department to fund authorized functions and programs.

BUDGET COORDINATOR: Contact person assigned in each District and Central Office unit who serves as a budget advisor to their units and as primary contact with the Budget Office.

BUDGET ENTITY: The program or service area to which funds are specifically appropriated in the *General Appropriations Act*. "Budget Entity" and "service" have the same meaning.

BUDGET ISSUES: Separate identifiable decision packages in the *Legislative Budget Request* used as building blocks in explaining or justifying expenditures in support of programs (often referred to as *D-3A's*).

BUDGET LEDGER: The document maintained by the Budget Office which tracks the allocations of the original approved appropriation and all subsequent budget adjustments.

FIVE PERCENT TRANSFER: A budget transfer approved by the Secretary or designee used to transfer budget authority between operating budget appropriation categories within a budget entity or to transfer budget authority between budget entities within the same operating budget appropriation category.

FLORIDA ACCOUNTING INFORMATION RESOURCE (FLAIR): The statewide accounting system.

LAS/PBS: The Legislative Appropriation System/Planning and Budgeting Subsystem is the automated system used to produce the agency's *Legislative Budget Request*, Governor's Recommendations, and Legislative Appropriations.

LAS/PBS APPROPRIATION LEDGER: A report maintained in LAS/PBS that tracks the agency's original approved appropriations and all subsequent adjustments.

LEGISLATIVE BUDGET COMMISSION: A commission within the Legislature, composed of House and Senate members whose duties include the review and approval of some budget amendments.

LEGISLATIVE BUDGET REQUEST: A request to the Legislature, filed pursuant to **Section 216.023, F.S.**, for spending authority the agency believes will be needed to perform authorized functions, or for which it is requesting authorization by law.

LEGISLATIVE BUDGET INSTRUCTIONS: Annual instructions issued jointly to the state's agencies by the Governor's Office of Policy and Budget and the legislative appropriations committees. These instructions, issued prior to the submission of an **Agency Budget Request**, provide limited policy and technical directions for use in the development of the agency budget requests.

MASTER ALLOCATION TABLES: A series of spreadsheets that reflect the approved allocation of budget authority as appropriated in the **General Appropriations Act**.

NON-OPERATING BUDGET: A type of budget authority used by the Department to record financial management transactions such as purchases of investments, transfers, and refunds.

PROGRAM COMPONENT: An aggregation of generally related objectives which, because of their special character, related workload, and interrelated output can be logically considered an entity for purposes of organization, management, accounting, reporting, planning, budgeting and evaluation.

SCHEDULE OF ALLOTMENT BALANCES: Reports generated by FLAIR which show the status of budget authority.

1. LEGISLATIVE BUDGET REQUEST

Section 216.023, F.S. requires each agency to prepare an annual **Legislative Budget Request** to be presented to the EOG and the legislative appropriation committees. The Governor then reviews the requests and submits a recommendation to the Legislature. The Legislature considers the budget requests and the Governor's recommendations and, upon action by the House and Senate, passes a Legislative bill authorizing expenditures and appropriating funds. After adjustments for vetoes and upon signature by the Governor, this bill becomes law as the **General Appropriations Act**.

1.1 BUDGET PREPARATION

1.1.1 The Budget Office initiates the annual budget preparation process by securing executive policy direction and providing written instructions to the Assistant Secretaries, District Secretaries and Central Office senior managers for the development of the **Legislative Budget Request**.

1.1.2 Section 339.135(2)(a), F.S. requires the Department to submit a balanced 36 month forecast of cash and expenditures as well as a 5-year finance plan. The **Legislative Budget Instructions** will include criteria to be used as a guide in the

development of the request. Also, included is a timetable which provides dates for the development and submittal of the Department's ***Legislative Budget Request***.

1.1.3 Districts and Central Office units develop and submit operating budget issues in accordance with the Legislative Budget Instructions.

1.1.4 Specific instructions for the Fixed Capital Outlay (FCO) Program relating to Department buildings and grounds projects are included in the ***Legislative Budget Instructions***.

1.1.5 The work program categories are submitted in the ***Legislative Budget Request*** based on the second year of the Adopted Work Program.

1.2. CENTRAL OFFICE REVIEW

1.2.1 The Budget Office reviews, consolidates, and summarizes budget issues submitted by the Districts and Central Office units.

1.2.2 Issues are reviewed with management for compliance with policies and procedures and to assure compliance with ***Legislative Budget Instructions***.

1.2.3 The Budget Office communicates the results of the review to the affected Districts and Central Office managers and provides for additional input, if necessary.

1.2.4 Based upon feedback from Districts and Central Office units, the Budget Office coordinates the resolution of any unresolved issues with management.

1.2.5 The Budget Office finalizes any remaining balancing budget issues and inputs the data into LAS/PBS.

1.2.6 The Budget Office submits the ***Legislative Budget Request*** to the EOG and the Legislature in accordance with the ***Legislative Budget Instructions***.

1.3 AMENDING THE LEGISLATIVE BUDGET REQUEST

1.3.1 After the Governor's recommended budget has been sent to the Legislature, the Department may submit an amended request in accordance with the ***Legislative Budget Instructions***. Instructions are provided to the Assistant Secretaries, District Secretaries and Central Office senior managers to develop proposed revised budget issues. Changes are reviewed and approved by management.

1.3.2 The Budget Office aligns the ***Legislative Budget Request*** with the work program categories in the Tentative Work Program.

1.3.3 The Budget Office submits an amended request to the EOG and Legislature to reflect those changes approved by management.

2. BUDGET ALLOCATION

Section 339.135(6)(d), F.S., requires the Department to allocate its budget as provided in the **General Appropriations Act** prior to July 31, each year. Copies of the allocations are distributed to the EOG and the legislative appropriation committees.

2.1 TENTATIVE ALLOCATION OF THE BUDGET

2.1.1 The Budget Office prepares a tentative allocation for each budget entity based on the **General Appropriations Act**, legislative work papers (**D-3A** detail of approved issues), and the Department's work program. Usually these tentative allocations are completed within a week of receipt of the appropriations data.

2.1.2 The Budget Office schedules allocation review meetings to discuss the tentative allocations. Representatives from each District and Central Office unit are invited to attend. The meeting is teleconferenced to permit further participation. Other interested offices may attend the meetings.

2.1.3 The Budget Office explains the methodology used to develop each proposed entity allocation one issue at a time. Work program categories are allocated based on the Tentative Work Program which was the basis for the **General Appropriations Act**.

2.1.4 The Budget Office maintains related documentation of the meeting proceedings.

2.1.5 Issues concerning proposed allocations are resolved in the allocation review meetings when possible. Management resolves any unresolved issues.

2.1.6 The Budget Office revises the tentative allocations based on agreements and decisions made in the allocation review meetings or issues resolved by management.

2.2 FINAL ALLOCATION OF THE BUDGET

2.2.1 Upon review and sign off by each District Secretary/Assistant Secretary and approval of the Secretary, all allocations become final and are referred to as the **Master Allocation Tables**.

2.2.2 The Budget Office coordinates and reconciles the input of the final allocations into the Florida Accounting Information Resource (FLAIR) with the approved appropriations.

2.2.3 The Budget Coordinators input or coordinate the input of final allocations into FLAIR for their respective Districts and Central Office units.

2.2.4 Any allocations to Department reserve are input into FLAIR by the Office of the Comptroller based on documentation provided by the Budget Office.

2.3 RECONCILIATION OF BUDGET ALLOTMENTS

2.3.1 The Budget Office performs a monthly reconciliation of budget allotments between the LAS/PBS Appropriation Ledger, the Budget Ledger, and the FLAIR Schedule of Allotment Balances (SAB). Discrepancies are identified to the appropriate office for correction.

2.3.2 The reconciled budget ledgers are updated monthly.

3. BUDGET ADJUSTMENTS

All adjustments to the *Master Allocation Tables* must be processed through the Budget Office. These include allotment transfers, five percent transfers and budget amendments. **Section 216.292, F.S.**, provides authority for budget amendments and five percent transfers. (Adjustments to work program categories are subject to the provisions of **Section 339.135(7), F.S.** and the guidelines contained in **Part III, Chapter 3** of the Department's *Work Program Instructions*.)

3.1 ALLOTMENT TRANSFERS

3.1.1 Allotment transfers fall into four types: a) between Districts or Central Office units; b) to or from statewide reserve; c) within a single District or Central Office unit; and d) technical adjustments. Requests will consist of a **Budget Adjustment Form (Form No. 340-030-12)**.

3.1.2 Allotment Transfers between Districts and/or Central Office Units: These transfers change the allocations reflected in the Budget Ledger. They are initiated by the contributing District and/or Central Office unit, approved by the District Secretary/Assistant Secretary, Directors, or designee, and transmitted to the Budget Office for processing.

3.1.2.1 Final approval authority for these transfers is the contributing unit.

NOTE: There are two types of allotment transfers between Districts in a work program appropriation category:

- a) Adjustments which transfer "budget only".
- b) Adjustments in support of a loan of funds which are subject to the provisions of **Section 339.135 (7)(b), F.S.**

3.1.3 Allotment Transfers To/From Statewide Reserve: These allotment transfers increase or decrease budget in statewide reserve and also change the allocations reflected in the Budget Ledger. Those transfers in operating categories are initiated by the contributing or gaining District and/or Central Office unit, approved by the Assistant Secretaries, District Secretary, District Directors, Central Office Director/Office Chief, or designee, and transmitted to the Budget Office for processing.

NOTE: Such transfers to/from statewide reserve in work program categories are transmitted to the Office of Work Program for initial review/validation. The Office of Work Program then sends the transfer request to the Budget Office for processing.

3.1.3.1 Final approval authority for these transfers is the Assistant Secretary for the affected budget entity.

3.1.4 Allotment Transfers within a Single District or Central Office Unit: These transfers are processed by the respective budget coordinators.

3.1.4.1 Final approval authority and review/documentation requirements are determined by the respective District or Central Office unit.

3.1.5 Allotment Transfers for Technical Adjustments: On limited occasions (e.g. correction of a technical error in the allotments, emergency requiring immediate action), the Budget Office may initiate an allotment transfer without a formal request.

3.1.5.1 Final approval authority is the Assistant Secretary for the affected budget entity.

3.2 FIVE PERCENT TRANSFERS

3.2.1 Five percent transfers apply only to the operating budget categories. Five percent transfers may not be done for Fixed Capital Outlay (buildings and grounds), nor Work Program categories.

3.2.2 Five percent transfers must comply with the following guidelines:

- a) No appropriation category shall be increased or decreased by more than five percent of the amount in the original appropriation in the operating budget category, or \$250,000, whichever is greater;
- b) Consistent with legislative policy and intent; and,
- c) Must not conflict with specific spending policies specified in the ***General Appropriations Act***.

3.2.3 Requests are initiated by one of the following: Assistant Secretaries, District Secretaries; District Directors; Director/Office Chief for Central Office entities or

designees; and on limited occasions, the Budget Officer to accomplish technical adjustments.

3.2.4 Requests will consist of a memo from an authorized requestor documenting: a) the amounts to be transferred by category and entity; b) justification; c) impact if the transfer is not approved; and, d) a completed ***Budget Adjustment Form (No. 340-030-12)***. The request is submitted electronically through the BAPS but it must originate from one of the authorized requestors in ***Section 3.2.3*** above.

3.2.5 Final approval authority is the Department Secretary or designee.

3.3 BUDGET AMENDMENTS

3.3.1 This section applies to budget amendment requests for operating budget categories, Fixed Capital Outlay (Building and Grounds), and non-operating budget categories. For guidelines on processing amendments to Work Program categories please refer to ***Part III, Chapter 3*** of the ***Work Program Instructions***.

3.3.2 All budget amendment requests must comply with the guidelines outlined in ***Section 216.181(2), F.S.***

3.3.3 Requests are initiated by one of the following: Assistant Secretaries, District Secretaries, District Directors, Director/Office Chief for Central Office units, or designees. On limited occasions, the Budget Officer may initiate an amendment to make technical adjustments (e.g. technical amendment to the ***General Appropriations Act***, roll-forward amendment, release of budget authority held in Governor's reserve).

3.3.4 Requests are sent to the Budget Office for processing. Requests will consist of a memo from an authorized requestor documenting: a) the nature of the problem that necessitates a budget amendment; b) the proposed solution; c) impact if amendment is not approved; and, d) a completed ***Budget Adjustment Form (No. 340-030-12)***; and any other supporting documentation as needed. The request is submitted electronically through the BAPS but it must originate from one of the authorized requestors in ***Section 3.3.3*** above.

3.3.5 Those requests to increase operating budget authority will require coordination with the Office of the Comptroller. The Budget Office will obtain this coordination as part of the review/signature process.

3.3.6 Final Department approval authority for a budget amendment request is the Assistant Secretary for Finance and Administration or designee. Budget amendments must be approved by the EOG or the Legislative Budget Commission.

4. DATA AVAILABILITY ON INFONET

Documents and examples of the documentation required by the procedure including the request for budget amendment and request for five percent transfer are available from the ***“Budget Forms and Example Documents”*** section on the Budget Office’s INFONET page.”

5. TRAINING

There is no mandatory training associated with this procedure.

6. FORMS

Form No. 340-030-12, Budget Adjustment Form is available from the Forms Library on the Department’s INFONET.