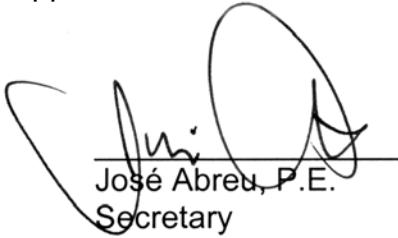


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José Abreu, P.E.  
Secretary

## Managing the Five Year Work Program

### PURPOSE:

To ensure fund amounts programmed in the Five Year Work Program for project phases are equal to or less than the total projected available revenues, and describe the methods by which the Work Program is monitored and maintained during the course of the fiscal year to assure compliance with applicable state and federal laws.

### AUTHORITY:

Section 339.135, Florida Statutes (F.S.)

### SCOPE:

This procedure is used by Central Office and District Work Program Managers.

### DEFINITIONS:

**Adopted Work Program** - The Five-Year Work Program adopted by the Department as provided by Florida Statutes.

**Allocations** - Breakout of fund or budget amounts to a district level to indicate the amount available for use on projects within each district.

**Allotment Transfer** - Movement of budget within the same category and budget entity between Districts.

**Box Item** - An item in the Work Program used to set aside Work Program Funds as a reserve to be used as needed to:

- (a) Cover estimate increases, supplemental agreements.
- (b) Program a required level of effort in the outer years of the program when project detail is not currently available.

**Budget Allocation Table** – A DB2 data base where budget allotments and corresponding adjustment amounts are stored.

**Budget Amendment** - An action which increases or decreases budget authority in a specific category.

**Budget Appropriation** - The annual *Appropriations Act* designates the amount of budget available to the Department in various appropriation categories which correspond to specific components of the Department's Adopted Work Program.

**Budget Ledgers** - The Budget Ledgers which are prepared by the Budget Office, arranged by budget entity and by FLAIR appropriation category within each budget entity. This data is further broken down into the specific allocations to each district. These amounts include the initial budget allocations plus any approved amendments and/or allotment transfers for the current year appropriation.

**Commitments** - The amount of funding/budget encumbered or expended on active project phases. Commitment amounts are reflected in the Work Program data base as the sum of expenditures and encumbrances. Commitments are reflected in FLAIR and PCM data base as encumbrances and as expenditures.

**Encumbrance** - The amount recorded in FLAIR to indicate a commitment of budget on a specific project which has not yet been paid.

**Expenditures** - The amount paid to date on a project phase, and the outstanding payable balance, such as retainage.

**Federal Programs Management Data Base** – A DB2 data base which stores data on federally funded projects for use in the federal billing process.

**FLAIR** – Florida Accounting Information Resource. The statewide accounting system maintained by the State's Chief Financial Officer.

**FM Commitments** - These commitments correlate to the total of the FLAIR expenditures and encumbrances for a particular appropriation category, as listed in the *Schedule of Allotment Balances (SAB) Report*.

**Fund Allocation Amounts** - The level of funds from a specified funding source available for commitment in a fiscal year.

**Funds Data Base** - A DB2 data base used to store Work Program Fund allocations and corresponding adjustments to these allocations.

**Loans** - A loan of funds from one district to another. Repayment is required within 3 years. Loans are considered work program amendments as detailed in the *Work Program Instructions*.

**Obligating Authority** - Federal dollars are allocated to the State in various fund categories to be obligated within pre-established parameters. Of the total dollars in all categories a maximum amount that can be committed is set as total obligating authority.

**Obligating Authority Constraints** - Limitations on the amount of Federal Aid that can be obligated in a particular year. Expressed as a fund reduction on the ***Production Accomplishment Report (PAR)***.

**Production Accomplishment Report (PAR)** - A comparison of committed funds to available funds.

**Production Balance** - The amount by which funds programmed on phases in a fiscal year varies from the amount of Work Program Funds allocated. This balance (positive or negative) is shown as a Balance Carried Forward in the next fiscal year.

**Program Budget Report (PBR)** - A report from WPA which summarizes budget allocations posted in the Budget Allocation Table and Work Program project cost estimates by Agency Program Number.

**Program Managers** - Individuals responsible for management of a component of the Work Program.

**Program Numbers** – Program Numbers in WPA are related to specific appropriation categories in the ***General Appropriations Act***. In most instances, a program number can be related to a single appropriation category. Some appropriation categories are related to multiple program numbers. Conversely, there are instances where a single program number may be related to multiple appropriation categories.

**Project Cost Management Data Base** – A DB2 data base where accounting information received from FLAIR is stored.

**Roll forward Budget** - Remaining financed budget at fiscal year end that becomes current budget in the new fiscal year, via budget amendment, to support specific project phases moved into the new fiscal year through the Roll forward process.

**SAB** – Schedule of Allotment Balances is a summary of financial data identifying budget allotments, encumbrances, expenditures and allotment balances by organization code. There are five levels contained in the organization code: Levels One, Two, Three, Four and Five. The Department utilizes only Levels One, Two and Five. Level One denotes the agency; Level Two is the district or central office title; and Level Five is the cost center.

**Schedule A** - A schedule of the Work Program Instructions which shows, by District (if applicable) and fiscal year, the allocation of each type of state and federal fund.

**Tentative Work Program** - The five-year listing of all transportation projects planned for each fiscal year that is based on District and Central Office work programs.

**Work Program Administration System (WPA)** - Mainframe computer data base housing the project's descriptions, estimated costs, scheduled phases, etc., for past and present FDOT projects or phases.

**Work Program Amendment** - Changes (other than estimate changes) to projects or project phases to the current year of the Adopted Work Program requiring approval by the Work Program Development and Operations Office or Executive Office of the Governor.

**Work Program Funds** - Revenue from various sources identified by a Work Program Fund Code in the Work Program Administration system. The limit at which project phases can be programmed to consume funds, imposed by the level of funds allocated.

## **BACKGROUND:**

The Department's Work Program Administration (WPA) system is utilized to plan the Department's 5-Year Work Program. Within WPA, projects to be undertaken are defined and scheduled in the development of the Tentative Work Program. At the time a project is programmed in WPA, the estimated cost of each project phase is programmed and the budget category in which budget is to be requested is specified using a Program Number which corresponds to the appropriate FLAIR Appropriation Category.

Each year, the Department's final Legislative Budget Request (LBR) for Product Categories and certain Product Support categories is developed using reports generated from WPA, reflecting program levels from the Tentative Work Program. At this time the Budget Allocation Table is updated by the Work Program Development and Operations Office to reflect the amounts requested in the LBR by District/Central Office by budget category.

Upon passage of the **General Appropriations Act** the amounts posted in the Budget Allocation Table to reflect the program levels in the Tentative Work Program are reconciled to the **Appropriations Act**. Any adjustments to the levels requested in the LBR are posted in the Budget Allocation Table. At this time the Work Program Development and Operations Office works with District and Central Office Work Program and/or Financial Managers to balance the current and upcoming fiscal year's Work Program to the available budget reflected in the **Program Budget Report (PBR)**.

On July 1 of each year, the Tentative Work Program, as adjusted to the **Appropriations Act**, is adopted. The budget allocations posted to the Budget Allocation Table facilitate monitoring and controlling the Adopted Work Program to available budget. Each District Office is responsible for posting their budget allocations into the Florida Accounting Information Resource (FLAIR). Central Office budget allocations are posted by the Office of Comptroller, Financial Management Office. FLAIR serves as the Department's official record of approved budget levels for monitoring and controlling commitments. During the fiscal year any adjustments to the Approved Budget through Amendments or Allotment Transfers are communicated to the Budget Office by the Work Program Development and Operations Office. Budget adjustments for 5% transfers, allotment transfers between Districts and Reserve and budget amendments for the Districts and Central Office are

made to FLAIR by the Office of Comptroller and to the Budget Allocation Table by the Work Program Development and Operations Office to reflect these actions.

**Section 339.135, F.S.**, specifies that the Department shall not include any project or allocate any funds to a program in the Adopted Work Program that is contrary to existing law for that particular year. Projects shall not be undertaken unless they are listed in the Adopted Work Program. The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. In addition, the provisions for amending the Adopted Work Program are specified in detail in **Subsection (7)**, of the law.

Work Program Funds are allocated to Districts and Statewide programs based on formulas defined in **Section 339.135(4), F.S.**, the current appropriation act, federal laws and regulations, and any other pertinent statutes or rules adopted under **Florida's Administrative Procedures Act**. Fund allocations are entered into the Work Program - Funds Data Base by staff in the Work Program Development and Operations Office. Projects are defined by District and Statewide program managers to consume these funds and the projects are programmed (recorded) in the Work Program data base during the development of a new Tentative Work Program.

## PROCEDURE

Monitoring of the Adopted Work Program to assure compliance with applicable statutes is the shared responsibility of the District Work Program staffs and the Work Program Development and Operations Office (WPO). Districts generally have the first level of responsibility and authority to manage the work program. Central Office WPO has the responsibility to assure the Department's Five-Year Work Program meets the stated goal and overall mission of the Department and compliance with **Section 339.135, F.S.**

### 1. INITIAL ALLOCATION OF THE ANNUAL APPROPRIATION

Immediately prior to the beginning of the new fiscal year the annual appropriations posted in the Budget Allocation Table at the close of the Tentative Work Program are verified against the **General Appropriations Act** by the Work Program Development and Operations Office.

### 2. POSTING OF ROLLFORWARD BUDGET

Project phases which have not been committed and the uncommitted portion of active project phases are moved into the new fiscal year on July 1. Budget to support these amounts is available to the extent that there are remaining allotment balances. Immediately following year end processing, reports are generated by the Work Program Development and Operations Office which summarize the detail provided by the year end update program by FLAIR Appropriation Category, District and, where necessary, by Work Program Fund. (See **Procedure No. 360-030-005, Rollforward** for more details.)

### 3. RECORDING OF BUDGET AMENDMENTS AND ALLOTMENT TRANSFERS

The Program Development Office is notified by memo from the Budget Office of any Budget Amendments or Allotment Transfers impacting budget level 2 or above, as they occur. These actions are recorded in the Budget Allocation Table. The Budget Amendment or Allotment Transfer number used by the Budget Office is entered in the Comment area of the data base record as documentation of the purpose of the adjustment.

### 4. RECONCILIATION OF THE WORK PROGRAM TO THE BUDGET

- 4.1 At the beginning of each month the Work Program Development and Operations Office submits a computer job which summarizes FLAIR Allotment amounts and Agency Allocation entries and provides a comparison of the two summary amounts by FLAIR Appropriation Category within each Budget Entity and FLAIR Fund. Discrepancies are resolved through research by the Work Program Development and Operations Office, the Budget Office and the Office of Comptroller. Records are corrected by the appropriate office.
- 4.2 **Budget Ledgers** are obtained from the Budget Office. Agency Allocation detail entries are verified by the Work Program Development and Operations Office by comparing the entries listed on the **Program Allocations Report** to the corresponding entries in the **Budget Ledgers**. Discrepancies are resolved through working with the Budget Office and if necessary the Allocation entries in the Budget Allocation Table are corrected by the Work Program Development and Operations Office.
- 4.3 District and Central Office Work Program Managers and/or Financial Managers review the **Work Program/Budget/FLAIR Comparison Report (Attachments A and B)** as follows:
- 4.3.1 The total Amount Programmed in WPA for each FLAIR Appropriation Category is verified to not exceed total Approved Budget. The Budget Over/Under Work Program is reflected for each Category as Remaining Budget on the report. If Budget exceeds the Work Program the District or Statewide Work Program Manager should carefully review and analyze the project to determine if funds are needed to accommodate any supplemental or upcoming letting dates, otherwise the funds should be released and the budget lapsed. If the Work Program exceeds Available Budget the District should either reduce the estimate in the Appropriate Box Item, propose a Work Program Amendment to move a project phase out of the current year or request a Budget Amendment to obtain sufficient Budget to cover the over programming. A Budget Amendment would be contingent upon sufficient Funding and the Department's ability to finance the

additional Budget.

- 4.3.2 The rightmost column on the **Work Program/Budget/FLAIR Comparison Report**, labeled **Estimate Overruns**, contains committed amounts recorded in FLAIR on a project phase in excess of the amount programmed in the Work Program. The District must increase the phase estimate to balance the Work Program to FLAIR. If the cause of the Estimate Overrun is an incorrect accounting entry, notify the Disbursement Operations Office or District Financial Services Office, as appropriate, rather than adjusting the Work Program. If corrections to estimates cause the Work Program to exceed the Budget the steps described in **Section 4.3.1** should be followed.

## 5. MONITORING AND CONTROLLING THE ADOPTED WORK PROGRAM WITHIN FUNDING CONSTRAINTS

- 5.1 Projects within the Adopted Work Program are funded with revenues from various sources. These funding levels are identified and allocated to the Districts and Statewide programs through the Fund Allocation process described in the **Work Program Instructions (Schedules A and B)**. These allocations are recorded in the Funds Data Base by staff in the Office of Financial Development. Updates to allocations occur periodically as necessitated by budget actions, updates to revenue estimates and adjusted forecasts of Federal Aid levels.
- 5.2 The **Production Accomplishment Report (PAR)**, which utilizes data from the Funds Data Base and programmed project cost information from the Adopted Work Program data base, is utilized on a regular basis to monitor Adopted Work Program performance within Fund constraints.
- 5.3 A reconciliation of the Adopted Work Program to funding levels is performed monthly. Through this process discrepancies between funding and amounts programmed in the Work Program are identified and corrected.

## 6. MONITOR ACTUAL PROJECT PROGRESS TO AMOUNTS PROGRAMMED IN THE ADOPTED WORK PROGRAM

- 6.1 When project phases become active, the commitment of funds and budget is reflected in the Adopted Work Program data base. On contractual phases, this commitment amount reflects the amount of the contract as encumbered in FLAIR.
- 6.2 A reconciliation of FLAIR commitments and expenditures to the approved amounts reflected in the **Adopted Work Program Report** is performed monthly. Discrepancies identified are corrected through the reconciliation process.

## 7. **AMENDING THE ADOPTED WORK PROGRAM**

During the course of the fiscal year various factors necessitate amendments to the Adopted Work Program. Among these factors are timing issues related to production schedules, budget and funding impacts caused by project cost overruns/underruns and external influences such as permitting and local government contributions to projects and shifts in priorities. Amendments to the Adopted Work Program are proposed by District and Central Office Program managers and after appropriate reviews and approvals are obtained by central office staff and the Governor's Office, the Adopted Work Program data base is adjusted to reflect the amendment. When necessary a Budget Amendment will also be processed to support the Work Program Amendment.

8. Work Program Fund allocations are entered by Work Program Development and Operations Office staff as initial allocations in the Funds Data Base after **Schedule A** is complete. Once allocations are finalized at the beginning of a new "gaming" cycle (development of a new tentative work program) the initial allocation entry is not altered for that cycle. Any changes necessary from that point forward are entered as adjustments.
9. Periodic adjustments are made to the Work Program Fund allocations by Office of Financial Development staff when necessary. Each adjustment will have a comment that defines the reason for the adjustment. Adjustments can be made in one of several categories as follows:
  - 9.1 Loans - A positive adjustment is entered in the year of the loan for the District receiving the loan and a negative entered for the loaning District. The reverse of these entries is entered in the year the loan is repaid (must be within three years after the date on which the agreement was entered into), to reflect the payback of the loan.
  - 9.2 **Allocation Adjustments** - Adjustments to Work Program Fund allocations to reflect impacts of such actions as budget amendments and distributions of statewide allocations to Districts.
    - 9.2.1 Adjustment entries are made by the Office of Financial Development for budget actions which increase/decrease any district's fund allocation (i.e., an increase in budget for Bridge Construction may necessitate a positive adjustment to BRP - State Bridge funding.) Fund allocation adjustments are not made when funding is **not** available within the finance plan constraints.
    - 9.2.2 Certain Work Program Funds are retained as a statewide allocation until specific projects are programmed by a District. When such programming occurs, the amount needed to cover the project is



entered as a negative adjustment to the statewide allocations. A positive adjustment, for the same amount, is entered to the subject district's allocation.

- 10.** Staff in the Office of Financial Development continually review and monitor the **PAR** (not less than monthly) to ensure all funds stay in balance.

**10.1** For Work Program Funds Allocated to the Districts:

10.1.1 The Production Balance for each year is checked to ensure that each year's balance is zero or positive.

10.1.2 The District is notified of Work Program Funds that are not in balance. The District must evaluate each Fund in detail to determine corrective action, most commonly in one or more of the following ways:

10.1.2.1 Adjust a box item;

10.1.2.2 Move a phase to another year with a Work Program Amendment;

10.1.2.3 Seek additional funding through a loan from another District.

**10.2** For Work Program Funds Allocated to Statewide Programs:

10.2.1 Production Balances are checked as defined in **Section 10.1.1**.

10.2.2 Statewide program managers are notified to take corrective action, most commonly in one or both of the following ways:

10.2.2.1 Adjust a box item;

10.2.2.2 Move a phase to another year with Work Program Amendment.

**11. TRAINING**

None required.

**12. FORMS**

None required.