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Department of Transportation

OPERATING APPROPRIATIONS CARRY FORWARD AND FIXED CAPITAL OUTLAY/WORK PROGRAM CERTIFICATION FORWARD PROCESSES

AUTHORITY:

Sections 20.23(3)(a) and 334.048(3), Florida Statutes (F.S.)

REFERENCES:

Sections 216.301, 337.11, 338.2216, 339.135(6)(c), F.S.

STATEMENT OF POLICY:

To provide direction for the carry forward of operating appropriations for incurred obligations as of June 30 each fiscal year, the Turnpike and Rail Enterprises' carry forward of operating appropriations reverted June 30 of each fiscal year, and the development of the Department of Transportation's (Department) annual request to the Executive Office of the Governor (EOG) to certify forward outstanding obligations of fixed capital outlay and work program appropriations as of June 30 of each fiscal year.

SCOPE:

This procedure affects Cost Centers, Financial Services Offices, Office of Comptroller, Office of Work Program and Budget, and Work Program Offices.

DEFINITIONS:

Budget Office: The functional unit within the Department that serves as the official contact with the EOG's Office of Policy and Budget.

Certification Forward: The process through which any balance of fixed capital outlay or work program appropriations, which is not disbursed, but for which is expended or contracted to be expended, is certified by the head of the affected state agency to the

EOG. The certification request will show in detail the obligees and the amounts of such obligations to be advanced to the next fiscal year. **Section 216.301, F.S.**

Certified Forward Checklist: The annual certification forward timeline for Fixed Capital Outlay and Work Program Budget Categories available on the Office of Comptroller's SharePoint website under the Contract Funds Management section.

Comptroller: The Chief Financial Officer for the Department.

Contracts Funds Management (CFM) Section: The functional unit within the Office of Comptroller responsible for the administration of funds approval, encumbrance processing, budget control, federal billing, indirect cost allocation, project cost management, systems support, and cash forecasting.

Disbursement Operations Office (DOO): The functional unit within the Office of Comptroller responsible for processing invoices, travel, payroll, and timesheets for Central Office cost centers, the Turnpike Enterprise, and the Rail Enterprise.

Financial Services Office (FSO): The functional unit within each District responsible for processing invoices, travel, payroll, and timesheets for cost centers within the District.

Fixed Capital Outlay (FCO): The appropriation category used to fund real property (land; buildings, including appurtenances; fixtures and fixed equipment; structures; etc.), including but not limited to, additions, replacements, major repairs, and renovations to real property which materially extend its useful life or materially improve or change its functional use, including but not limited to, furniture and equipment necessary to furnish and operate a new or improved facility.

The Florida Accounting Information Resource System (FLAIR): The State's accounting and financial management system.

Incurred Obligations: A legal duty for the payment of encumbrances or payables.

Office of Work Program and Budget: The functional unit within Central Office responsible for the development and adoption of the Department's Work Program and Resource Plan and development of the Department's annual budget.

Operating Carry Forward: The process through which incurred obligations of operating appropriations, which have not been disbursed by June 30, may be carried forward to the next fiscal year, and be available until September 30 of the new fiscal year.

Turnpike and Rail Carry Forward: The process by which the Turnpike and Rail Enterprises' reverted operating appropriations at June 30 of each fiscal year and reverted appropriations at September 30, up to 5% of the original approved operating budget, may be carried forward for use in subsequent fiscal years.

Work Program Office: The functional unit within each District that is responsible for development of their District's Work Program.

Note: *If any date referenced in this procedure falls on a weekend, then the effective date will be the last working day prior to the due date.*

1. QUALIFICATIONS FOR CERTIFICATION OR CARRY FORWARD

1.1 WORK PROGRAM CATEGORIES

Funds encumbered or identified as a payable for purchase orders and contracts (including supplemental agreements/amendments) in an executed status (10) in the Contract Funds Management System, or for construction and maintenance contracts (including supplemental agreements) procured under **Section 337.11, F.S.**, or in a pending status (03 or 04) in the Contract Funds Management System for which bids have been let, will qualify for inclusion in the **Certification Forward Request**. Funds encumbered in an appropriation year older than 5 years from the current appropriation year will require written justification identifying the specific need/reason for retaining the funds. Funds that have had no activity on the Flair Encumbrance or Payable Subsidiary file for the last 24 months will also require a written justification identifying the specific need/reason for retaining the funds and explaining the delay in project/invoicing and when project/invoicing will begin. The District Secretary or Assistant Secretary will sign a certification form provided by the OOC regarding their list of justified projects. In July, the signed certification form and justified project lists will be used to answer inquiries on the **Certification Forward Request** by the EOG (see **Section 3**).

1.2 FIXED CAPITAL OUTLAY (BUILDING & GROUNDS) CATEGORIES

Funds encumbered or identified as a payable for purchase orders and contracts (including supplemental agreements/amendments) in an executed status (10) in the FLAIR Contract Information File will qualify for inclusion in the **Certification Forward Request**. Funds encumbered in an appropriation year older than 3 years from the current appropriation year will require written justification identifying the specific need/reason for retaining funds.

Unobligated balances remaining in an appropriation year older than 2 years from the current appropriation year will require written justification identifying the specific need/reason for retaining funds.

Funds that have had no activity on the FLAIR Encumbrance or Payable Subsidiary File for the last 24 months will also require a written justification identifying the specific need/reason for retaining the funds, explaining the delay in project/invoicing, and when the project/invoicing will begin.

The FCO Program Manager may increase the request for **Certification Forward** for uncommitted funds as long as the total amount does not exceed the unexpended release balance on June 30 for the category and year in FLAIR.

1.3 OPERATING CATEGORIES

1.3.1 All encumbrances and salary-related payables of operating appropriations as of June 30 will be marked for operating carry forward into the next fiscal year. There will be no operating carry forward of unencumbered purchases or commitments other than those related to salary categories. The operating carried forward funds will be made available until September 30 of the new fiscal year. Funds not paid out by September 30 will revert.

1.3.2 Turnpike Enterprise and Rail Enterprise operating funds not spent or encumbered as of June 30 of each fiscal year shall be eligible for carry forward. Such funds carried forward shall not exceed five percent (5%) of the original approved operating budget of the Turnpike Enterprise and Rail Enterprise.

1.3.3 Any Turnpike Enterprise and Rail Enterprise operating funds carried forward in accordance with **Section 1.3.1**, but not paid out by September 30, shall be available to carry forward. This carry forward is limited to five percent (5%) of the original approved operating budget of the Turnpike Enterprise and Rail Enterprise, when combined with the carry forward described in **Section 1.3.2**.

2. PREPARATION

2.1 COST CENTER MANAGER RESPONSIBILITIES

The Cost Center Manager is responsible for requesting special reports that detail the items that may be certified for Operating and Work Program Categories. These reports can be requested from the Financial Reporting System on the Office of Comptroller's SharePoint website. These reports can be run at any time to address items before the semi-annual reports for justifications are provided. The Cost Center Manager must provide to the appropriate District FSO or the CFM Section a written justification for the items in a work program category with an appropriation year older than 5 years from the current appropriation year, or for items that have had no activity according to the guidelines identified for work program categories in **Section 1.1** or for operating categories in **Section 1.3.1**. These justifications must be provided no later than the dates referenced in the **Certified Forward Checklist**.

2.2 FIXED CAPITAL OUTLAY COORDINATOR RESPONSIBILITIES

The FCO Coordinator is responsible for requesting special reports that detail the items that must be reviewed and justification provided. These reports can be requested from the Financial Reporting System on the Office of Comptroller's SharePoint website. These reports can be run at any time to address items before the semi-annual reports for justifications are provided. The FCO Coordinator must provide to the Central Office FCO Manager written justification for the following: funds encumbered in an appropriation year older than 3 years from the current appropriation year, uncommitted amounts over 2 years old from the current appropriation year, and funds that have had no activity on the FLAIR

Encumbrance or Payable Subsidiary File for the last 24 months. The written justifications are required to be included in the ***Certification Forward***. The justifications must be provided no later than the date specified in the ***Certified Forward Checklist***.

2.3 CENTRAL OFFICE FIXED CAPITAL OUTLAY MANAGER

The Central Office FCO Manager will ensure that appropriate justifications have been received from all FCO Coordinators and that a final report, including all written justifications recommended for approval by the Central Office FCO Program Manager and Budget Officer, is forwarded to the CFM Section by the date specified on the ***Certified Forward Checklist***.

By the date referenced on the ***Certified Forward Checklist***, the Central Office FCO Program Manager will identify fully justified uncommitted funds in FLAIR that can be increased up to the Unexpended Release Balance as of June 30 for the category and year to include in the ***Certification Forward***. With information from the FCO Program Manager, the Office of Comptroller will enter the change amounts in FLAIR for the certified forward request. Note: Although FCO is included in year-end Certified Forward request on July 31, the FCO Certified Forward is prepared by the budget office in February of each year.

2.4 FINANCIAL SERVICES OFFICE RESPONSIBILITIES

The District FSO will ensure that a response has been received from all cost centers within their District, and that a final report, including all written justifications recommended for approval by the District Secretary, is forwarded to the CFM Section by the date specified in the ***Certified Forward Checklist***.

2.5 DISBURSEMENT OPERATIONS OFFICE RESPONSIBILITIES

The DOO will ensure that a payable has been established for all unexpended salary-related appropriations by the date referenced in the ***Certified Forward Checklist***.

2.6 CONTRACT FUNDS MANAGEMENT SECTION RESPONSIBILITIES

The CFM Section will semi-annually provide a report with items that require justification to each District Director of Transportation Support and Central Office Manager. The CFM Section will ensure that a response has been received from all District and Central Office Managers.

3. SUBMISSION

The CFM Section, in coordination with the Department's Budget Office, will prepare and submit the Department's ***Certification Forward Request*** on July 31st in accordance with instructions issued by the EOG and Department of Financial Services. The CFM Section will coordinate with FLAIR personnel to transmit the electronic file and establish the Department's official completion date for the ***Certification Forward Request*** each year.

The justification reports signed in July by the District Secretary or Assistant Secretary will be used to provide answers to inquiries by EOG when reviewing the ***Certification Forward Request***.

A copy of the Department's official ***Certification Forward Request*** will be available online through the FLAIR Report Distribution System. The CFM Section will send an email to designated personnel in each District and Central Office entity indicating when the report is available and the official completion date of the report.

4. BUDGET ALLOCATION

4.1 All operating funds carried forward under ***Section 1.3.1*** will be made available in the current fiscal year until September 30 of the new fiscal year. At that time, any operating funds not paid out will revert.

4.2 All operating funds carried forward for the Turnpike Enterprise and Rail Enterprise under ***Sections 1.3.2*** and ***1.3.3*** will continue to be eligible for carry forward into any subsequent fiscal year.

4.3 When submittal of the ***Certification Forward Request*** to the EOG has been completed, the CFM Section will post the certified forward budget to the budget entity where the appropriation was expended or committed. When the EOG has approved the request, the CFM Section will make any necessary adjustments and notify the appropriate District or Central Office personnel of any items disallowed. Any funds certified for an operating category that have not been expended by September 30 will be reverted and subsequent invoices will be paid against the current year's budget.

5. USE OF CARRIED FORWARD FUNDS

Operating funds carried forward under ***Section 1.3.1*** may only be used for goods/commodities ordered on or before June 30 of the previous fiscal year or for services received by June 30 of the previous fiscal year. All operating funds carried forward for Turnpike Enterprise and Rail Enterprise under ***Sections 1.3.2*** and ***1.3.3*** may be used for any lawful purpose.

6. TRAINING

There is no training required for this procedure.

7. FORMS

There are no forms for this procedure.