Budgeting for Managers 101

Budget Basics  Budget Cycle  Budget Development
Budget & Planning Section
Financial Services Division

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Mission of B&P – Assist Divisions and Programs in Achieving Their Goals and Objectives
Observation by Doug: Successful managers in the public sector have a good grasp of Budgeting and Human Resources.

Series Objective: Increase your knowledge and comfort level in the area of state budgeting.
**Basics:** We are part of the Executive Branch. We provide input for developing the Governor’s budget. We support the Governor’s budget during the legislative process. **DO NOT ...**

At any time during the budget cycle, Fiscal Research Division (General Assembly staff) will ask questions about programs and budget. By law we are required to respond to the best of our ability. B&P review along with Assistant Secretary and Office of Legislative Affairs. **DO NOT ...**

Know the organic legislation for your program/division and the annual Budget Bill.

Roles, Responsibilities, Authorities.
Strategic Planning: Prior to Budget Cycle

Goals – Objectives – Measures

Leaders and Managers Organize the Resources Available to Them to Maximize the States Goals and Objectives
Long Session Process

(Even Year)

Fall 2012
- Budget instructions issued
- Continuation, Expansion & Capital Budget requests developed by departments
- Initial economic/revenue forecast completed by OSBM

Jan–Feb 2013
Governor finalizes budget

Feb–March 2013
- General Assembly Long Session convenes
- OSBM staff present budget recommendations & revenue forecasts
Long Session Process

July-Aug 2013
- Long session adjourns
- OSBM certifies FY 13-15 budget
- Appropriations bills ratified

June 2013
House & Senate Appropriation conferees negotiate joint conference budget report

May – June 2013
Appropriation committees adjust revenue forecast according to revenue initiatives or economic changes

March – June 2013
Legislative Appropriation subcommittees review continuation/expansion budgets
2013-15 Biennial Budget Process

July-Aug 2014
- Short session adjourns
- OSBM certifies revised FY 14-15 budget.

START
Jan 2014
Instructions issued for 2014-15 budget adjustments

Short Session Process
Jan 2014 – July 2014 (Even Year)

May 2014
- Short Session convenes
- General Assembly reviews FY 14-15 budget

Feb 2014
- Departments submit recommended budget adjustments for FY 14-15 to OSBM.
The Budget is a formal plan of how DENR resources will be expended. It has an expenditure side and a revenue side.

They must balance.

The budget structure and codes are under the auspices of the Office of the State Controller (OSC). Budget coordinates with the Controller to develop and utilize DENR’s structure and codes.
Budgets Are Organized by Budget Code, Fund, and Center

(Think of it as an outline: role-up)

Budget Codes are composed of 5 numerals

14300  DENR’s General Fund

Position 1  = Type of Budget Code
Position 2&3  = Dept. Identifier
Position 4&5  = Signifies additional budget code
<table>
<thead>
<tr>
<th>Number</th>
<th>Type of Budget Code</th>
<th>Code</th>
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<tbody>
<tr>
<td>1</td>
<td>General Funds</td>
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<td>6</td>
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Fund Codes are Composed of 4 numerals or alpha characters

<table>
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<tr>
<th>Code</th>
<th>Description</th>
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<tbody>
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<td>4H29</td>
<td>Green Square Appropriations</td>
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<td>1760</td>
<td>Waste Management</td>
<td>4N02</td>
<td>DWR Wilmington</td>
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<td>2865</td>
<td>Aquariums Admission Fund</td>
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<td>Harbor Maintenance</td>
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<tr>
<td>2740</td>
<td>Dam Safety Account</td>
<td>6147</td>
<td>WIF Clean Water SRF 2012</td>
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<td></td>
<td></td>
<td>6371</td>
<td>Non-Commercial Leaking Petroleum Tanks</td>
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Important Characteristics of Budget Codes and Funds

**General Fund:**

1) All unexpended funds revert at year end.
2) Cannot transfer to/from Capital Funds w/o General Assembly authority.
3) Transfer to/from Special & Trust Funds with OSBM approval.
Important Characteristics of Budget Codes and Funds

**Special Funds:**

1) Funds do not revert.
2) Special Funds maintain cash balance.
3) Permissible to operate programs.
4) Established only with GA authorization.
5) Interest may be deposited with GA authorization.
6) Transfer to/from General, Trust and Capital Funds with OSBM approval.
Important Characteristics of Budget Codes and Funds

Trust Funds:
1) Funds do not revert.
2) Trust Funds maintain cash balance.
3) Established only with GA authorization.
4) Transfer to/from General and Special Funds.
Important Characteristics of Budget Codes and Funds

**Capital Funds:**
1) Funds do not revert until year 4.
2) Cannot operate programs.
3) Established only with GA authorization.
4) Transfer prohibited to General; difficult to Special and Trust Funds with OSBM approval.
Centers may be identified as having 4, 8 or 12 digits – typically smallest unit for which a budget is developed.

Source of money and resulting tracking obligations often determine the Center structure. A manager is usually responsible for the resources represented in one or more Centers.

176076082014 General Fund Waste Mgt.
28658652 Special Fund Aquariums
11401468 Financial Services Division
4H29 Capital Funds
Budget Development

Continuation Budget:

Based on prior year’s actual expenditures

Objective is to maintain equal level of service delivery
Budget Development

Adjustments:

Manager Input
Replacement of equipment and vehicles
Inflation
Budget Development

Reduction/Expansion:

Manager Input

Justification – Align with Goals & Objectives

Tip: evaluate tradeoffs – C/B and Ease of Replacement
INCREASE FUNDING FOR MANAGER’S FORUM
WORKSHEET-II-INCREASE (OTHER EXPANSION)

Status: BRU_Draft

Reference Number: CI-GD9A
Budget Cycle: 2013-15
Budget Session: Short
Priority: 
Recurrence: 
Worksheet Type: Increase
Request Type: Other expansion
Department/Agency: Department of Environment and Natural Resources
BRU: Department of Environment and Natural Resources
Division/Institution: -
Budget Code: 14300
Title: Increase Funding for Manager’s Forum
Ible ID: GD9A

Give a brief description of the item: N.A.

Problems/Issues being Addressed: N.A.

Anticipated outcome/impact after implementation of changes: N.A.

Relation to agency goals and agency key indicators: N.A.
## REQUIREMENTS

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### BUDGET OVERVIEW

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### Receipts

## OTHER INFORMATION

1. Does this request require additional resources from another agency? N.A.
2. Does this change impact local government(s)? N.A.
3. Does this request require statutory changes or special provisions? N.A.
4. Does this request relate to a capital improvement project? N.A.
5. Does this request require additional space? N.A.
6. Does this request require additional vehicles from the state motor pool? N.A.
7. Does this request include an IT component? N.A.
8. If required per OSM budget instructions, has the project been entered into the ITS PPM tool? N.A.

## REFERENCES

None
Resources:
State Budget Act GS 143C
State Budget Manual
www.osbm.nc.us/

Annual Ratified Budget Bill
www.ncga.state.nc.us/
Bill Text link “Proposed Conference Committee Substitute for Senate Bill 402,
Appropriations Act of 2013
Money Report “Joint Conference Committee Report
... for Senate Bill 402 (7/21/13)

Financial Services Division:  DENR Portal – My Places
Resources, Forms, Policy & Procedures, Newsletter