OFFICE OF PLANNING AND BUDGET

Nathan Deal
Governor

Teresa A. MacCartney
Director

April 1, 2016

MEMORANDUM

TO: Agency Heads and Fiscal Officers

FROM: Teresa A. MacCartney TM

RE: Fiscal Year 2016 Year End Budget Close Out

As we enter the final quarter of Fiscal Year 2016, OPB will again work with agencies to ensure that we close the current fiscal year in good financial order. As in prior years, our focus should be on maximizing agency surplus to continue building our Revenue Shortfall Reserve and on minimizing financial-reporting and audit issues.

Year End Expenditures

As a reminder, agencies should prioritize any planned fourth-quarter expenditures to optimize funds available for surplus at fiscal year-end. Please work closely with your OPB analyst to assess the need for any one-time expenditures on items such as equipment or technology purchases, vehicles, contractual services, capital outlay or other initiatives. One-time expenditures should be limited to essential items only. Funds not needed for essential expenditures should be lapsed at year end.

If your agency wishes to purchase motor vehicles using FY 2016 funds, you must submit your request to Fleet Management at the Department of Administrative Services before close of business on Friday, May 27.

Purchase Order Review

OPB and the State Accounting Office again will work with agencies to identify purchase orders established prior to FY 2015 with little to no recent activity in order to determine any need to keep certain purchase orders open, or where appropriate, to close remaining purchase orders and remit the funds to Treasury.

Fiscal Affairs

The Governor has called a meeting of the Fiscal Affairs Subcommittee for Tuesday, June 7 at 9:30 a.m. in Room 341 of the Capitol. Please review the status of your budgets to determine any need for state funds transfers affecting Fiscal Year 2016 and Fiscal Year 2017. Requests for FY 2016 transfers should be limited to issues unforeseen during consideration of the Amended Budget and that are necessary in maintaining budgetary compliance at fiscal year-end. FY 2017 transfers should be limited to only those needed to meet expenditure needs prior to the approval of an Amended Fiscal Year 2017 budget. State funds transfers that are not absolutely necessary may be submitted as an Amended Fiscal Year 2017 budget request. For your convenience, please use the enclosed forms to make your requests. Agencies requiring a transfer to be considered by the Subcommittee must submit their request to OPB by Friday, April 29.

Zero-Based Budgeting

OPB, in conjunction with the House and Senate budget offices, is in the process of selecting which budgetary programs it will review for FY 2018 as part of the annual ZBB process. Your division director will notify you regarding any programs within your agency that will need review. Formal instructions will be sent at a later date, but agencies are strongly encouraged to begin working with their division director and analyst on an initial review of the selected programs.

Final Amendments

Deadlines for final amendments in BudgetNet are posted on the OPB website as part of the Joint OPB/SAO FY 2016 Year End Calendar. As a reminder to agencies in preparing their final amendments, per joint OPB-SAO policy 02.01.0401, agencies are not required to adjust budgeted federal and other funds to match expenditures at year end. Rather, federal and other funds should match available revenues to meet planned expenditures. Agencies should be cautious in reducing their budgets at year end below available revenues as a post-closing adjustment could result in an unforeseen increase to expenditures that would cause budgetary compliance issues during the audit process. OPB will not authorize changes to final budgets for the Budgetary Compliance Report after BudgetNet has closed for the fiscal year.

Spending Order Policy and Surplus Funds

Under joint OPB-SAO policy 4-9-1, agencies must spend retained other-fund revenues in the year in which they are earned. Retained revenues not spent prior to year-end will lapse unless an agency submits a letter to OPB requesting to reserve those funds. Agencies must request to reserve any and all state and other funds that it expects to retain for use in future years.

Any surplus state or other funds not previously reported in the FY 2015 Budgetary Compliance Report should be remitted to Treasury no later than June 30, 2016 using account code 390109, Adjustments to Fund Balance – Early Surplus Returned to OST. If funds are available in your allotment balance account at Treasury, agencies should use the ARIS system and click the "Return of Surplus" button to remit payment. If funds are not available in your allotment account, please contact Lisa Hoover or Donna Bowman at the Office of the State Treasurer, accounting@treasury.ga.gov, to make arrangements to send the funds.

Thank you for your continued leadership and commitment to strong fiscal stewardship as we close out the current fiscal year and look forward to Fiscal Year 2017.

TAM/sb

c: David Werner, Chief Operating Officer
Alan Skelton, State Accounting Officer
Steve McCoy, State Treasurer
Sid Johnson, Commissioner