



# Financial Management Policies and Procedures

Issued by  
Office of Planning and Budget and  
State Accounting Office

Policy Number	Section Name	Policy Name	Effective Date	Version
02.01.0201	Budget Amendments	Carry-Over of State and Other Funds	July 1, 2017	3.0

## I. Business Policy Summary

The purpose of this policy is to define the business process and budget standards for State and Other funds carried over to be used for expenditures planned in the next fiscal year. State and Other funds must be spent in the fiscal year in which they were earned or otherwise should lapse to the Office of the State Treasurer. State agencies are allowed to carry over State and Other funds to spend in the next fiscal year only if they are authorized to be reserved by the Office of Planning and Budget (OPB). All reserve requests are subject to review by the Department of Audits and Accounts (DOAA).

## II. Business Process Policy and Requirements

In the State’s budget system, State funds carried over must be amended into the budget in the next fiscal year as the specific detailed State fund source of their origination with a “Prior Year funds” designation. The type of detailed State funds must be identified as State General Funds, Motor Fuel Funds, Tobacco Funds, Lottery Funds, Brain and Spinal Injury Trust Funds or Governor’s Emergency Funds.

State funds carried over must be used in the same program to which they were originally appropriated and for the intended purpose of the approved reserve or constitutional/statutory authority. Requests for adjusting funds carried over between programs must be facilitated through the Fiscal Affairs process.

## III. Policy

To request reservation of State and Other funds, agencies should submit a letter including support to OPB. A copy of the letter should be submitted to SAO and DOAA. Reference OPB year-end calendar for applicable deadlines.

Agencies should amend the budget to reflect the available prior year State funds once the amount has been approved by OPB. Procedures for amending prior year budgets can be found on OPB website

Agencies should provide OPB with a copy of their Budgetary Compliance Report (BCR) reflecting the final amount of prior year State funds available to carry over when requesting to amend in prior year State funds.

Deficit amounts are allowed by OPB in the "Prior Year Adj" Column on Schedule 2 of the BCR, as long as the overall fund balance for the program/fund source nets to zero, or leaves a surplus. This outcome would be approved through the reservation process discussed previously.

The following State fund source descriptions should be used to amend in prior year State funds:

1. State General Funds – Prior Year
2. Motor Fuel Funds – Prior Year
3. Lottery Proceeds – Prior Year
4. Tobacco Settlements Funds – Prior Year
5. Brain and Spinal Injury Trust Fund – Prior Year
6. Governor’s Emergency Fund – Prior Year

#### **IV. Authority**

- Official Code of Georgia Annotated (OCGA) 50-5B-3 – Duties of the state accounting officer include:
  - Prescribing the way disbursements shall be made by state government organizations;
  - Developing processes and systems to improve accountability and enhance efficiency for disbursement of funds and management of accounts payable.
- OCGA 50-5B-4 – Duties of the state agencies with respect to SAO.
- OCGA 28 -5-42

#### **V. Applicability**

This business process applies to all appropriated Organizations included in the State of Georgia reporting entity. The term 'organization of state government' shall mean, without limitation, any agency, authority, department, institution, board, bureau, commission, committee, office, or instrumentality of the State of Georgia. Such term shall not include any entity of local government, including, but not limited to, a county, municipality, consolidated government, board of education, or local authority, or an instrumentality of any such entity. At these reporting organizations, all personnel with accounting and financial reporting responsibilities should be knowledgeable of this policy. Refer to the

*Management Responsibilities* policy for a summary of general financial reporting responsibilities.

## **VI. Definitions**

***Prior Year State funds funding source*** – Funding sources in the range 02xxx. This range of funding sources should be used for the recognition of State funds carried forward for use in a fiscal year subsequent to the year of original appropriations.

## **VII. Forms and Attachments**

**Year-end reporting forms are provided on the SAO website at [sao.georgia.gov](http://sao.georgia.gov) > [Statewide Reporting > Year-End Forms](#)**

## **VIII. Approval**

(This section lists the approval given from various business owners, etc.)

State Accounting Office	6-25-08; 04-11-13; 07-01-17
Office of Planning and Budget	6-25-08; 04-11-13; 07-01-17

## **IX. Revision History**

(This section tracks the changes made to the policy as it goes through the review process.)

<b>Version</b>	<b>Date</b>
2.0	04-05-13
3.0	07-01-17