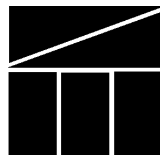


***Instructions for Completing the Six Year
Nongeneral Fund
Revenue Estimates***



**Virginia Department of Planning and Budget
October, 2008**

Overview

An Access2003 database application has been provided for your agency's use in developing the six-year nongeneral fund revenue estimates. This database is identified as "2009NGF.mdb". It is available on DPB's web site (www.dpb.Virginia.gov) and check for the "News and Recent Headlines" look for the Nongeneral fund Instructions and database. Agencies should complete the forms included and submit them to (budget@dpb.virginia.gov). However, **agencies should not make formatting changes to the data input documents provided for your use.** Agency submissions will be merged into a larger database and provided to the Department of Accounts for entry into CARS. This application has been formatted to facilitate this transmission.

You should save an electronic copy of the database before submitting it to DPB. Your agency copy will serve as backup for validation purposes. (NOTE: See DPB's file naming standard at the end of these instructions.) **In addition, you should provide your DPB budget analyst with a separate explanation for any assumptions used to calculate your nongeneral fund revenue estimates.**

Note: Institutions of higher education should revise their estimates for 2009 and 2010. All other agencies should report a revised estimate for fiscals 2009 through 2014.

NOTE: If any of your agency's reported revenues are used to support capital projects, please show the amounts used for capital as a special note at the bottom of Part I "**Comments.**"

Detailed Instructions for Completing your estimate

Revenue Estimates for Fiscal Years 2009 to 2014 (A1/A2 estimate)

The Access database opens to a start sheet that contains several options. The first option is Part I and it has five (6) links. The first, **"Side-by-side comparison"** or steps 1a. and 1b. are two reports that you create by clicking on each of the links and entering your "*Responsible Agency Code*" number followed by hitting [enter]. They will generate reports showing by fund/fund detail and at the fund group level the agency: FY08 NGF revenue collections; FY07 and FY08 year-end cash balances; your FY08 Revenue Estimate; and lastly, the agency's FY08 appropriations as they appear in Chapter 847 (Caboose), Appropriation Act. In addition and new report 1.c has been added, this report compares your FY08 revenue estimate by fund detail and revenue source code to your actual FY08 revenue collections. To activate this report click on the link and enter your agency code. The report will be displayed a datasheet view, (like a spreadsheet).

The purpose of these reports is to provide comparative information so that each agency can do a better job of aligning resources to spending. Overall, it is hoped that this effort will help the Commonwealth do a better job of aligning overall resources to appropriations. In addition, this is an effort to reduce the large numbers of administrative revenue transactions (**‘G’ & ‘E’ transactions in the FATS system**). Currently, it is DPB policy that each of these transactions must be reviewed and approved by the Director of the Department of Planning and Budget.

Step 2 the **“A1A2 estimate”** when clicked will open the data input form. The other links are various reports that you can open and review/print for your records after you complete your six year estimate and the projected cash balances for FY2009. The second option, Part II, has two (2) links. **“Fund Balance Estimate”** will open the form needed to complete your FY2009 fund balance projection, this section should only be started after you have completed Part I. The second link will allow you to preview and print a summary of you estimated fund balances.

NONGENERAL FUND REVENUE FORECAST ASSUMPTIONS

The following guidelines are provided to ensure consistency in agency plans and submissions. Use these guidelines in preparing nongeneral fund revenue projections for the six-year period.

State Agencies Other Than Institutions of Higher Education: Use the following guidelines in preparing nongeneral fund revenue projections for agencies other than institutions of higher education. Be sure to report all nongeneral fund revenue sources, including those associated with indirect costs and operating capital budgets.

1. Revenue from state services (e.g., taxes, licenses, permits, fees, institutional revenue, etc.): To calculate these revenues,
 - a. Assume that the current tax rate, fee, or charge and its method of application will remain unchanged over the projection period, unless otherwise provided by law.
 - b. Use, as far as practical, a statistical projection technique (i.e., time series trend line, linear regression, multiple regression, econometric model, etc.). Do not simply hold current revenue collections constant for future years unless such action can be justified or unless past revenue collections have not differed by more than one percent (after adjustments for rate or fee changes) over the last five years.
 - c. Base all assumptions about population growth on the population projections by age, race, and sex as supplied by the Virginia Employment Commission (VEC).
 - d. Relate fees and changes to known or expected trends in pertinent caseloads when possible (e.g., fees for care of the mentally ill versus institutional population; motor vehicle operations, permits versus Virginia population over the age of 16; etc.).

- e. Contact the VEC for standardized forecasts of economic or demographic variables (i.e., personal income, employment, population, inflation, etc.) used in regression analyses or revenue forecasting models.
2. Revenues from federal grants or donations: To calculate these revenues,
- a. Assume that current collections from federal project grants which are nonrecurring in nature or which have a designated termination date within the six-year projection period will not be continued or extended past the scheduled termination date.
 - b. Assume that solicitations currently underway or anticipated for federal project grants will be approved.
 - c. Assume that total federal funding authorizations for formula-based grants will remain constant over the six-year projection period, unless increases or decreases are scheduled and justified by pending Congressional action or are expected by the administering federal agency.
 - d. Assume that state revenue collections from federal formula grants will be equal to the allocation available to the state as prescribed by the applicable formula unless variances can be justified.
 - e. Contact the VEC for standardized forecasts of economic or demographic variables (i.e., personal income, employment, population, inflation, etc.) used in determining formula grant allocations.
 - f. Make allowance in the projections in changes for federal/state matching requirements when such changes are prescribed by formula, are known in advance, or appear realistic. Any changes in matching requirements must be explained.

Institutions of Higher Education: The revenue estimates should mirror your six year plans submitted to SCHEV in October 1, 2008 (If you did not take into account budget reductions that may impact your projects, you should do so in this submission).

THE ESTIMATE: PART I

Part I, step 2, is the “**A1/A2 Estimate**”. This form contains thirteen blocks or fields. The first four fields titled:

- **Estimating Agency Code** (enter the 3 digit agency code here);
- **Receiving Agency Code** (enter the 3 digit agency code here);
- **Revenue Source** (enter the 5 digit DOA revenue Source code – be sure to use the leading zeros, e.g. 09060); and
- **Fund Detail** (enter the Fund/Fund Detail code here – be sure also use leading zeros here also, e.g. 0215) followed by a field for each of the years covered by this estimate.

New this year, in the past we have requested each agency that receives revenues collected by other agencies to use the check box described below. In an effort to further refine the accuracy of

these estimates DPB now requests that each agency collecting revenue for other agencies to provide a separate estimate by fund detail, revenue source and agency identifier (“Receiving Agency Code”). One entry should be made for each revenue source used by an agency. You should also ensure that the listed revenue source codes have been established for use in CARS (see CARS Revenue Source Codes Topic 60109, dated January 2008). The revenue table contains all of the valid source codes through September, 2008. If the title associated with a revenue source code does not accurately reflect its current use, then agencies should contact the Department of Accounts. If you enter a Revenue Source Code that is not on the current list of active source codes, Access will prompt you to enter a valid source code – you will be unable to continue unless you enter a valid code. **Do not attempt to enter “prospective source codes” they will not be accepted.**

The check block will indicate that THIS particular revenue source is COLLECTED by another agency.

In the remaining blocks (years 2009 through 2014), agencies should enter the nongeneral fund revenue estimate for each revenue source code for this record. For all agencies other than institutions of higher education, estimates are required for all fiscal years 2009 through 2014. Access will compute the revenue totals for each fiscal year.

How to avoid common revenue errors

- Ensure revenues plus balances match anticipated expenditures for federal funds and other nongeneral funds;
- ***New* – Please include estimates for revenue that is actually collected by another agency, but use the check box on the form to indicate that this revenue source is collected by another agency, and then please tell us the agency name and code in the Comments block;**
- Include revenue that is collected by your agency, even if spent by another agency. Please note in the comments block either the amount or percent of the collections that are for other agency’s use; and
- Check that you made adjustments to reflect any new revenue source codes.

NOTE: Record management – use the tab key, the mouse or the navigation buttons on the lower left hand portion of the form, (|< = go to first record; < = go to previous record; > = go to next record; >| = go to last record and >* = new record) to move between fields and records.

PART II – Estimated Balances for FY 2009

Click on the **Fund Balance Estimate** link. The form displayed is divided into two sections. The top section shows a summary of your revised 2009 estimate summed by each fund group. “Part II – Estimated Balances by Fund Group”, estimates and reports last fiscal year’s (FY2008) fund balances and projects year-end balances for the current fiscal year (FY2009) by major fund group.

First review the instructions contained in the bottom of this form. Begin Part II by entering your agency code (Note: Just as in Part I this needs to be entered each time you create a new record.) Complete

the next block using the drop down menu and select the group that corresponds with fund group matching the data in the table at the top of the form. Finally, enter the “FY2009 re-estimated dollar amount form the table at the top of the form. This amount is net of any estimates checked as being collected by other agencies. Use the tab key, or the mouse to complete the remainder of the blocks as necessary.

Collected by other agencies. Use this block to enter the total amount of revenue you checked on the A1A2 estimate as coming from revenue sources that are collected by other agencies but expended by your agency. Recall, in the instructions for the A1A2 estimates you were asked to include an estimate for revenues that your agency does not collect. If this is the case, you should use this block to reflect the revenue that you anticipate receiving and enter that amount in this figure. This should agree to the amounts (by fund group) that you indicated on the A1A2 as being collected by other agencies.

Ending balance 6/30/08. For each fund group, copy the cash balance shown in the first column (“Ending Balance”) of the CARS 0402 Option A2 report “GLA#101, Cash with the Treasurer of Virginia,” dated 6/30/08 or use the cash amount shown on the report you generated in Part I, step 1b.

Appropriations -- Chapter 879. Show as a negative number the legislative appropriation for each **fund group** for FY 2008. Use Chapter 879, 2008 Acts of Assembly.

Appropriations -- FATS Action (Type G). Show the total for any FATS transactions you have submitted or will submit to increase your nongeneral fund appropriation for FY 2009. This is entered as a negative number.

Transfers to general fund. Enter the amount from each fund group to be transferred into the general fund that is included in your nongeneral fund revenue total for the fiscal year. If statewide indirect costs have not been appropriated to your agency, then show these recoveries in the row labeled Transfers to the General Fund. If they have been appropriated, do not show them as transfers, but identify them in the revenue estimates. All transfers should be entered as negative numbers.

Transfers to other agencies. Enter any amount in each fund group that will be transferred to another agency as a negative number. For example, your agency collects certain revenues all or a part of which is transferred to another agency and expended.

Projected Ending Balance. The form will calculate the projected ending balance for FY 2008 for this fund group. If the “Projected Ending Balance” is a negative number, the total will be displayed as zero and you will need to submit a written explanation of why appropriations exceed revenue estimates.

Submitting the Nongeneral Fund Revenue Estimates

Submit your six year estimate to DPB by **October 24, 2008**.

When completed and reviewed save the file and exit the application. Then **RENAME** a copy of the file using the following naming convention, your agency code followed with no spaces the agency initials e.g.

122DPB.mdb. Attach the renamed Access database to an email message and send it to:
budget@dpb.virginia.gov

Special Note: Agencies using Access version 2007, when complete please save the file as an Access version 2003.

