Budget Execution Instructions

FY 2012 Year-end Close
FY 2013 New Year Start-up

Virginia Department of Planning and Budget

May, 2012

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Introduction

This package provides instructions to close out FY 2012 and procedures to start-up FY 2013 for both operating and capital appropriations. These instructions address both the operating and capital budgets. The State Comptroller will send you detailed **accounting** procedures and payroll information.

The significant Department of Planning and Budget (DPB) deadlines for year-end close and new year start-up actions are as follows:

Date	*Action*
June 13, 2012	Deadline for agencies to submit transactions for FY 2012
June 14, 2012	The Performance Budgeting (PB) system available for FY 2013 transactions
June 15, 2012	Deadline for agencies to submit packages for reappropriations of capital projects
June 15, 2012	Deadline for cabinet secretaries and agency heads to submit the "Acknowledgement of Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies"
June 18, 2012	Deadline to submit FY 2013 budget execution adjustments that must be in place when CARS opens for the new year
June 30, 2012	Deadline to submit required documentation to demonstrate that 85 percent of an agency's maintenance reserve funding is expended or obligated
August 15, 2012	Deadline for agencies to submit budget execution adjustments to clear out convenience subobject codes other than the xx95 series

The following are definitions of key terms used in these instructions:

- ✓ *2012 Appropriation Act* means the Appropriation Act for the 2012-2014 biennium, as passed by the 2012 session of the General Assembly.
- ✓ *FY 2012* means the fiscal year beginning July 1, 2011, and ending on June 30, 2012.
- ✓ *FY 2013* means the fiscal year beginning July 1, 2012, and ending on June 30, 2013.

If you encounter any problems or need specific advice or assistance, please contact your budget analyst.

Deficits

Section 4-3.01 of the 2012 Appropriation Act prohibits agencies from obligating or expending funds in excess of appropriations or obligating or expending at a rate that would result in expenditures in excess of nongeneral fund revenue collections, without prior approval by the Governor. The prohibition from incurring a deficit applies legislative, judicial, and executive branch, and independent agencies that are designated in the Appropriation Act by title and assigned a three digit agency code.

Agency analysis and monitoring of expenditures against cash, allotments, and appropriations are critical to avoid incurring a deficit at the close of the fiscal year. Agencies must alert DPB as soon as possible if a problem is detected and anticipated at year-end close. Agencies should NOT wait until year-end close is underway if it is currently aware of a potential deficit.

Agencies **should not** assume that expenditures in excess of appropriations will be met from unappropriated nongeneral funds, by transfers from other current appropriations, or from appropriation of a prior-year, unexpended balances. Each agency's request for an appropriation allotment or any other action which requires executive approval will be treated (in the absence of any specific statement to the contrary) as the representation that approval of the request will neither directly nor indirectly result in a deficit.

Pursuant to § 4-3.01, if any agency violates any of the prohibitions stated above and incurs an unauthorized deficit, the Governor is directed to withhold approval of such excess obligation or expenditure. The section stipulates that there will be no reimbursement of said excess, nor shall there be any liability or obligation upon the state to appropriate funds to address the unauthorized deficit. Instead, those members of the governing board of any such agency who shall have voted therefore, or its head if there be no governing board, making any such excess obligation or expenditure shall be personally liable for the full amount of such unauthorized deficit and, at the discretion of the Governor, shall be deemed guilty of neglect of official duty and be subject to removal.

This section also requires the Governor to bring the deficit provision to the attention of the members of the governing board of each state agency or the agency head if there is no governing board. Consistent with this provision, the agency head is directed to acknowledge the receipt of this notification by completing the form found in Appendix A. The form is also available on DPB's web site at the following link: http://dPerformance Budgeting.virginia.gov/forms/forms.cfm *(search for "Acknowledgement")*

A signed form is required from each cabinet secretary and all agency heads in the legislative, judicial, and executive branches and the independent agencies. **Acknowledgement cannot be delegated and must contain the original signature of the cabinet secretary or agency head.** The signed form must be returned to the following address by June 15, 2012:

BOS Secretary, General Provisions
Department of Planning and Budget
Patrick Henry Building
1111 East Broad Street
Room 5040
Richmond, Virginia 23219-1922

The heads of agencies with governing boards must also provide each board member with a copy of this notice and of §4-3.01. The governing boards are those specified as supervisory boards in §2.2-2100, *Code of Virginia*. Agency heads are also requested to provide the material to any board members and fiscal officers who may be appointed in the future.

Final Appropriation and Allotment Actions for FY 2012

The deadline to submit budget execution adjustments in the PB system to DPB for FY 2012 appropriation and allotment actions, both operating and capital, is:

5:00 p.m., June 13, 2012

Upon receipt and approval, DPB will process the final FY 2012 actions and transmit them to the Department of Accounts (DOA). Agency pending budget execution adjustments that no longer need processing should be voided in the PB system before the closing date. After this date, agencies will no longer be able to submit FY 2012 budget execution adjustments in the PB system. You will, however, have ***inquiry*** access after the deadline to allow you to review or browse voided or completed transactions.

FY 2013 Operating Appropriations

Establishing Appropriations

DPB will create initial appropriations and allotments for FY 2013 operating expenses and transmit them to CARS so that they are available when DOA opens CARS for FY 2013. Agency action is not required. DPB's initial actions will include:

- Establish FY 2013 legislative appropriations per the 2012 Appropriation Act.
- Transfer (rollover) of fund 0100 to fund 0300 in program 100 (Educational and General Programs) for institutions of higher education for the initial FY 2013 legislative appropriations in the 2012 Appropriation Act.
- Unallot FY 2013 appropriations based on language in the 2012 Appropriation Act that directs certain appropriations to not be initially allotted and available for expenditure on July 1, 2012, for the following reasons:
  - ✓ Some type of prior approval by the Governor or other designated person is required;
  - ✓ There is a match requirement; or
  - ✓ The appropriation is not expended in the agency to which it is made, but is transferred to other agencies for expenditure.

A listing of the unallotted appropriations can be found in Appendix B. If expenditure is conditional upon a prior approval action or a match requirement, these criteria must be satisfied before the appropriation can be allotted. Once the condition is met, an agency can submit a budget execution adjustment in the PB system to request the allotment of the appropriation.

Appropriation Adjustments Required to be Available on July 1, 2012

In some cases, appropriations beyond an agency's legislative appropriation must be in place on July 1 to ensure that services continue without interruption. This includes the appropriation of unexpended federal grants or other nongeneral funds and establishing sum sufficient appropriations. For any such appropriations to be available when CARS is opened for the new fiscal year, budget execution adjustments must be submitted **by June 18, 2012.**

Nongeneral Fund Balances:

The general policy is that requests to appropriate unexpended nongeneral fund cash balances are limited to circumstances where there is no nongeneral fund appropriation in FY 2013 or the FY 2013 appropriation is insufficient to meet the provisions of §4-1.04 a, **Unappropriated Nongeneral Funds,** of the 2012 Appropriation Act.

For unexpended nongeneral funds that must be in place on July 1, use adjustment type "E" (Nongeneral fund cash balance) and **round up** the requested amount to the nearest whole dollar. The amount requested should not exceed the agency's estimate of the cash balance in that fund detail that will be unexpended on June 30, 2012. Some of the June 30, 2012, cash balance may have been anticipated during budget development and included in the FY 2013 nongeneral fund appropriations in the act. If so, such amounts should be netted out of your adjustment request.

The transaction brief should clearly describe how the funds will be used, the need for the appropriation, and note that it is an estimated amount. The PB system documentation lists the questions that must be addressed in the budget execution adjustment transaction brief.

The State Comptroller will close the fiscal year on July xx, 2012, and report the exact amount of the unexpended appropriations in the last week of July in the year-end reports. If the originally requested amount exceeds the final amount reported by the State Comptroller, the agency must submit another budget execution adjustment to adjust the original request down to the actual amount.

Sum Sufficient Requests:

Agencies with sum sufficient appropriations, whose operating plans must be in place on July 1, should follow the instructions found in Appendix F. The appendix provides guidance on the procedures for setting up the operating plan. If there are any questions, please consult your DPB budget analyst.

Reappropriation of FY 2012 Unexpended General Fund Appropriations

As part of the year-end close process, the State Comptroller reverts all unexpended general fund operating expense appropriations to the fund balance of the general fund. Language in §4-1.05 a. of the 2012 Appropriation Act provides that:

> General fund appropriations which remain unexpended on (i) the last day of the previous biennium or (ii) the last day of the first year of the current biennium, shall be reappropriated and allotted for expenditure where required by the Code of Virginia, where necessary for the payment of preexisting obligations for the purchase of goods or services, or where desirable, in the determination of the Governor, to address any of the six conditions listed in §4-1.03 c.5 of this act or to provide financial incentives to reduce spending to effect current or future cost savings. With the exception of the unexpended general fund appropriations of agencies in the Legislative Department, the Judicial Department, the Independent Agencies, or institutions of higher education, all other such unexpended general fund appropriations unexpended on the last day of the previous biennium or the last day of the first year of the current biennium shall revert to the general fund.
>
> General fund appropriations for agencies in the Legislative Department, the Judicial Department, and the Independent Agencies shall be reappropriated, except as may be specifically provided otherwise by the General Assembly. General fund appropriations shall also be reappropriated for institutions of higher education, subject to §2.2-5005, Code of Virginia.

For institutions of higher education, the cash balance in Educational and General programs (fund 0300) will be considered general fund at the end of the fiscal year. The reappropriation amount will equal the unexpended cash balance that has been appropriated in FY 2012 and will be reappropriated in accordance with the provisions of §2.2-5005, Code of Virginia.

The amount available for reappropriation for each agency and institution of higher education will be based on the State Comptroller's report of unexpended general fund balances (CARS ACTR 1408) for FY 2012 final close. DPB may request additional information from agencies on whether the unexpended balances are needed to meet pre-existing obligations, to meet any of the criteria set out in §4-1.03 c.5 of the Appropriation Act, or to meet incentives proposed by the Governor to reduce spending to effect current or future cost savings.

Any approved carryforward amounts that are approved for reappropriation must be reappropriated to the respective programs in which the balance occurred. DPB will provide agencies with the approved amounts by program. After this notification, agencies will then prepare and submit in the PB system the necessary budget execution adjustments to reappropriate the approved balances.

After the reappropriation process is complete, agencies may submit additional budget execution adjustments to distribute the amounts to the correct service areas and subobject codes within the designated program or to transfer the reappropriation to a different program. Any such program transfers must be accompanied by a transaction brief providing the basis for the request. (See the PB system documentation for items that must be included in the brief.)

Appropriation of FY 2012 Nongeneral Fund Unexpended Cash Balances

Unexpended nongeneral fund appropriations **are not** automatically brought forward in the PB system and CARS. Unexpended nongeneral fund cash balances on June 30, 2012, must be appropriated in the PB system to be available for expenditure in FY 2013. The appropriation is subject to DOA's cash controls. DOA will not approve expenditures that exceed the available cash.

To seek authorization to carry forward unexpended nongeneral fund balances, agencies should:

1. Verify on the final close CARS ACTR 402 report the actual unexpended cash balance.

2. Submit a budget execution adjustment (adjustment type "E" Nongeneral fund cash balance) to DPB requesting appropriation and allotment of the amount estimated to be needed in FY 2013. If the entire balance is needed, it should be rounded up to the nearest dollar. (See the PB system documentation for items that must be included in the brief.)

Additional Nongeneral Fund Revenue Appropriations

If the agency wishes to create a nongeneral fund operating appropriation on or after July 1 in anticipation of new or supplemental revenues to be received in FY 2013, a budget execution adjustment (adjustment type "G" Nongeneral fund revenue adjustment) must be submitted. The request must be consistent with the provisions of §4-1.04 of the Appropriation Act and include a transaction brief clearly explaining and justifying how the additional nongeneral funds will be expended and why the additional appropriation is needed. The brief should also describe the additional funding source and include the revenue source code(s) for the additional nongeneral fund revenue. The PB system documentation lists the questions that must be addressed in the budget execution adjustment transaction brief. It is the agency's responsibility to provide cash to support the appropriation thus created.

Clearing Out Convenience Subobject and Fund Codes for FY 2013

An agency's initial appropriations for FY 2013 may contain "convenience" subobject and fund detail codes (see Table 1 below). Because of the need to know what agencies plan to purchase and because expense vouchers to be processed through CARS must be coded using valid expenditure subobject codes, these convenience codes must be replaced with valid objects of expenditures and fund details.

DPB will initiate the process to clear out convenience codes. Before transmitting FY 2013 appropriations to CARS, DPB will work with agencies to place any legislative amendments in the appropriate programs, service areas, subobject codes, and fund details prior to loading the initial appropriations to CARS. Any convenience codes in Table 1 that were used in legislative amendments will be removed at that time.

If any convenience codes remain, agencies must submit a budget execution adjustment (adjustment type "M" Adjustment to service areas and subobject codes) by August 15, 2012, to convert any remaining convenience subobject and fund detail codes, other than the xx95 subobject codes, to regular subobject and fund codes. It is optional to clear out the xx95 convenience codes (see Table 2) for undistributed nonpersonal services.

As noted above, agencies cannot expend against these xx95 convenience codes. Therefore, agencies may not use convenience codes (including the xx95 convenience codes) to appropriate or adjust funds during the fiscal year in the PB system.

Table 1: Convenience codes that must be removed by August 15, 2012, by distributing the amounts to valid expenditure subobject codes:

Subobject Codes	
1184	FTE Undistributed Amended Legislative Appropriation
1185	FTE, Undistributed: Legislative Appropriation
4100	Undistributed Budget Amounts
5100	Undistributed Savings Amount
6100	Undistributed Biennial Budget Amounts
6200	Undistributed Nonpersonal Services Across-the-Board Reductions
7100	Undistributed Amended Budget Amounts
8600	Undistributed Legislative Appropriation
8900	PB system Redistribution Code
9000	Undistributed Amended Appropriations
Fund Detail Codes	
1200	FTE, Undistributed Legislative Amount
1300	FTE, Undistributed Amended Legislative Amount

Table 2: Convenience codes that do not need to be cleared out:

1295	Undistributed Contractual Services
1395	Undistributed Supplies and Materials
1495	Undistributed Transfer Payments
1595	Undistributed Continuous Charges
2195	Undistributed Property and Improvements
2295	Undistributed Equipment
2395	Undistributed Obligations

For descriptions of these convenience codes, refer to the complete list of convenience codes in effect for FY 2013 that will be available in June 2012 in PB system chart of account reports.

Central Appropriations and Part Three Transfers

Transfers included in Central Appropriations and Part Three Miscellaneous Transfers of the 2012 Appropriation Act may affect your agency's budget. Appendix C includes a summary of the central appropriations and selected nongeneral fund cash transfers for FY 2013 impacting multiple agencies and for which dollar amounts by agencies are not identified. Agencies are highly encouraged to become familiar with the contents of both of these sections of the 2012 Appropriation Act to find out if any of these adjustments impact them.

DPB plans to notify agencies of central appropriation adjustments and selected nongeneral fund cash transfers required by Part 3 of the 2012 Appropriation Act sometime during the first quarter of the fiscal year. Where appropriate, your DPB analyst will work with his or her agencies to identify the proper service areas and fund/fund details for the transfers.

Higher Education Equipment Trust Fund Lease Payments (Institutions of Higher Education Only)

The 2012 Appropriation Act provides funding to support debt service on equipment purchased through the Virginia College Building Authority's (VCBA's) Higher Education Equipment Trust Fund. As has been the case since FY 2000, the general fund and nongeneral fund appropriations are included within the Treasury Board budget instead of within the budgets of each institution of higher education. This allows the Commonwealth to consolidate debt service on tax-supported debt (i.e., debt supported primarily by the general fund) in one central location within the Treasury Board.

Since the general fund appropriation is now included as part of the Treasury Board budget, the Treasury Board makes the debt service payment to the VCBA directly. However, the nongeneral fund portion of the payment cannot be made to the VCBA until funds are transferred from each institution to support the nongeneral fund appropriation authority provided in the 2012 Appropriation Act. Therefore, DOA will take action on or about July 1 to transfer the appropriate cash amount listed in Item 280, paragraph E. 5. for all institutions from balances in fund code 0300 (higher education operating). See Appendix D.

No action will be necessary on the part of the institutions for payment of debt service associated with the Higher Education Equipment Trust Fund.

Capital Fees for Out-of-State Students (Institutions of Higher Education Only)

The 2012 General Assembly approved an additional fee to be charged to out-of-state students beginning in FY 2013. The funds will be used to pay a portion of the debt service on bonds issued under the 21st Century Program. Item 280, paragraph E. 4. of the 2012 Appropriation Act sets out the amounts designated for each institution. No action is necessary at this time. See Appendix E.

Capital Projects

There are two yearend tasks for capital projects – (1) review of all active projects to determine which can be closed or which have unexpended balances that can be reverted and what funds should be carried forward to FY 2013 and (2) a review of maintenance reserve to ensure that 85 percent or more of their biennial general fund and tax-supported debt maintenance reserve appropriations will be spent or obligated by June 30, 2012. New year start-up involves establishing appropriations for new projects approved by the 2012 session of the General Assembly.

Review of Active Projects

All capital outlay projects recorded in CARS as of month-end for April 2012, including projects authorized in prior biennia or under §4-4.01.m of the General Provisions of the Appropriation Act and maintenance reserve, must be reviewed to identify and close-out unobligated appropriation balances that can be reverted and projects that have been completed. All such requests will be submitted in the PB System in the Capital Project Review module. Detailed instructions are available in the help feature in the PB system.

Higher education institutions with Level III status will be responsible for submitting financial data reports that provide the same information reflected in the CARS ACTR 1408 report as of month-end for April 2012, at the time they make the capital reappropriation requests to DPB. In addition, as part of their management agreements, Level III institutions only need to submit forms for those projects that are funded entirely or in part by a general fund appropriation or state tax-supported debt.

Agencies must complete their entries **no later than June 15, 2012.**

Some time in August, DPB will bring forward into FY 2013 the June 30, 2012, project appropriations for approved projects. Until the capital project appropriations are re-established in CARS, DOA will process FY 2013 expenditures through overrides of the normal controls. These transactions may default to the CARS error file briefly until the override takes effect. For questions, contact DOA error correction personnel by fax at (804) 225-4250 or by submitting an Error Correction Form.

2012-2014 Maintenance Reserve Obligations

The 2012 Appropriation Act requires state agencies and institutions of higher education to expend 85 percent or more of their biennial general fund and tax-supported debt maintenance reserve appropriations by June 30, 2012. The purpose of this requirement is to more effectively manage the use of funds provided for physical plant maintenance and upkeep. The language, which is found in Item C-84, the 2012 Appropriation Act, Paragraph F, states that:

“ . . . Any agency or institution of higher education which has not expended or contractually obligated itself in a legally binding manner to expend 85 percent or more of its biennial general fund and tax-supported debt appropriation for maintenance reserve by June 30, 2012, will have its share of maintenance reserve funding reduced in the next biennium. . . “

For the purpose of determining the 85 percent requirement, DPB will use each agency’s 2010-12 biennium tax supported debt appropriation plus any unexpended June 30, 2010, general fund and tax-supported debt year-end balances that were reappropriated as the base for the calculation. This computed funding level will be compared to agency expenditures as of April 30, 2012. If the amount expended is greater than or equal to 85 percent of the base, no further agency action will be required. If, however, the amount expended is below the 85 percent threshold, DPB will notify any agency that it falls below the 85 percent.

Agencies that fall below the 85 percent threshold must provide the following information to their DPB analyst by June 30, 2012 to document any additional existing commitments that will occur prior to the end of the fiscal year to satisfy the requirement of “contractually obligated in a legally binding manner.” The documentation can include:

- A copy of a signed contract (signature page with project title is sufficient);
- A copy of an RFP issued no later than June 15, 2012, to identify contractually obligated projects with outside vendors; and
- An internal billing record or other internal record to verify the obligation of funds for projects handled by the agency’s in-house workforce.

DPB will evaluate this information as part of budget development for the 2013 session of the General Assembly. Any amounts that fall below the 85 percent threshold may be subject to reversion at that time.

New Capital Projects

DPB will create initial appropriations and unallotments for FY 2013 capital expenses (general fund and nongeneral fund) and will transmit them to CARS.

Initial Appropriations. DPB will enter the appropriations for all state-owned projects into the PB System and transmit them to CARS. **Do not submit budget execution adjustments transactions to enter new project appropriations into the PB System and CARS.** All project appropriations will be unallotted.

Project Initiation or Change. Each affected agency must submit an E&B Form CO-2 to DGS to initiate a new project or increase the project’s appropriation. If a project is partially funded in each year of the biennium, a separate CO-2 form must be submitted in FY 2013 for the first year’s appropriation. Forms CO-2 for FY 2013 submitted before the start of the fiscal year will be held at DPB until the start of the fiscal year. CO-2 forms for FY 2012 funding of projects approved by the 2012 Appropriation Act (Caboose) may be processed when that act becomes law.

Allotment of Project Appropriation. After receipt of an approved CO-2, a budget execution adjustment can be submitted to DPB to allot enough funds to complete working drawings (usually 75 percent of the amount budgeted for architectural and engineering fees in the approved CO-2 form). Use adjustment type "L" and distribute the allotment to valid expenditure subobject codes.

After the construction bid has been received, and an E&B Form CO-8 has been submitted to DGS, an agency must submit a budget execution adjustment to DPB to allot construction funds. DPB will allot up to the bid amount for construction and equipment, an amount for project contingencies (until further notice, this is no more than two percent of the construction contract for new construction or renovations over $1 million or five percent for renovations under $1 million), estimated amounts for testing, inspecting, or project management services, and the balance of the architectural and engineering contract.

If project construction and equipment costs are anticipated to exceed the allotted amounts, the agency must submit a revised CO-2 to DGS and a budget execution adjustment to DPB to access the remaining appropriated funds. The transaction brief must provide sufficient information to describe and justify the need for additional dollars to be allotted.

2012-2014 Maintenance Reserve Appropriations

Appropriations for maintenance reserve projects will be processed in the same manner as those for other capital projects. Agency FY 2013 allocations will be on or before July 1, 2012. Only agencies that have never received maintenance reserve funding must submit a CO-2 form to DGS for maintenance reserve to initiate their first appropriations.

Re-establishing Closed Out Capital Outlay Projects and Restoring Reverted Appropriations

Occasionally, after a project is closed out or an unexpended balance is reverted, an agency may discover that an unpaid obligation or requirement for the project exists. Because of these situations, there is language in §4-1.05.c.3 of the General Provisions of the 2012 Appropriation Act authorizing the DPB Director to restore reverted capital project balances and re-establish closed-out projects. ***Restoration authorization is limited to reversions that occurred in the current and prior biennia.***

In some instances, there are no unexpended balances in the closed out project to be restored, and funds must come from another source to meet the unpaid obligation. In these situations, the project would be re-established under the authority of §4-1.05.c.3. However, because the project's fund source would be obtained through a transfer of appropriations or through additional nongeneral fund revenue, other sections of the General Provisions must be satisfied as well. §4-1.03 authorizes the transfer of appropriations and §4-1.04 authorizes the appropriation of unappropriated nongeneral funds.

To request the re-establishment of a closed capital outlay project and the restoration of project funding, the agency must submit a written request to the DPB Director. The request must describe circumstances that led to the need to restore the project and identify the source of money to be restored to the project. The funding sources include reverted balances, transfers, and additional revenue.

Coding of Subprojects

DPB is developing reports for the PB system that will enable agencies to display the entire appropriation and expenditure history of a capital project, including subprojects, in one report and to track capital appropriations and expenditures from various perspectives, such as by facility and by infrastructure, including subproject data. However, the reports will be able to display subproject data only if agencies have assigned cost codes to capital subprojects in CARS. Therefore, agencies are strongly encouraged to assign a CARS cost code to each capital subproject and to use those cost codes to record expenditures for subprojects in CARS.

Appendix A
Acknowledgment of Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies

To: Director, Department of Planning and Budget

Section A

All Agencies

I have received and read your instructions and notice of June, 2012, regarding indebtedness of state agencies.

Agency Name ____Agency Code____________

Cabinet/Agency Head Name____

Cabinet/Agency Head Signature____

(Personal signature is required and cannot be delegated)

Date_______________ , 2012

Section B

Supervisory Board (§2.2-2100 of the Code of Virginia)

I have provided each member of the board of this agency with a copy of the notice in this memorandum and I will provide the same material to those appointed to the board in the future.

____

Personal Signature of Agency Head

Date: ________________________________, 2012

Originals only… Copies, e-mails, or faxes of this form will not be accepted.

Appendix B
Appropriations Not To Be Allotted July 1, 2012

The 2012 Appropriation Act contains certain appropriations that are not to be initially allotted and available for expenditure on July 1, 2012, for the following reasons:

- Some type of prior approval by the Governor or other designated person is required;
- There is a match requirement; or
- The appropriation is not expended in the agency to which it is made, but is transferred to other agencies for expenditure.

DPB will post these unallotments on its web site once the Appropriation Act has been signed into law. These appropriations will be established as unallotted in the PB System and CARS on July 1, 2012, and will not be available for expenditure. If expenditure is conditional upon a prior approval action or a match requirement, these criteria must be satisfied before the appropriation can be allotted.

APPENDIX C

Multi-Agency Transfers in Central Appropriations and Part Three

Transfer Location	Transfer Description

CENTRAL APPROPRIATIONS TRANSFERS:

468 F.1	Support GF costs of State Employee Health Insurance changes
468 G.4	Support GF costs of State Employee Retirement rate changes
469 G.1	Support GF costs of IT increases and Telephone Systems Replacements
469 H	Support GF costs of Enterprise Application ongoing
469 I	Support GF costs of Line of Duty Act benefits
471 A	Transfer GF and NGF savings from statewide purchase and supply reductions
471 B	Transfer GF savings from elimination/consolidation of agencies, boards, and commissions
471 C.1	Transfer GF savings from the elimination of organizational memberships
471 E	Transfer GF savings from IT overhead cost reductions
471 F	Transfer GF savings from settlement terms of a computer outage agreement
471 G	Transfer GF savings from Administrative Efficiencies

PART THREE TRANSFERS:

§3-1.01 R	Transfer NGF savings from telecommunication service rate reduction
§3-1.01 X	Transfer NGF savings from statewide purchase and supply reductions

Appendix D

FY 2013 HEETF Lease Payments *

Institution	FY 2013 Amount (NGF 0300)
College of William and Mary	$259,307
University of Virginia	$1,088,024
Virginia Polytechnic Institute and State University	$992,321
Virginia Military Institute	$88,844
Virginia State University	$108,886
Norfolk State University	$108,554
Longwood University	$54,746
Mary Washington College	$97,063
James Madison University	$254,504
Radford University	$135,235
Old Dominion University	$374,473
Virginia Commonwealth University	$401,647
Richard Bland College	$2,027
Christopher Newport University	$17,899
University of Virginia's College at Wise	$19,750
George Mason University	$205,665
Virginia Community College System	$633,657
Total	**$4,842,602**

*Table reflects amounts in Item 280, Paragraph E.5.

Appendix E
FY 2013 Capital Fee for Out-of-State Students *

INSTITUTION	FY 2012
George Mason University	$2,073,870
Old Dominion University	$966,510
University of Virginia	$4,335,120
Virginia Polytechnic Institute and State University	$4,204,800
Virginia Commonwealth University	$1,558,530
College of William and Mary	$1,284,120
Christopher Newport University	$108,270
University of Virginia's College at Wise	$37,350
James Madison University	$2,429,190
Norfolk State University	$453,960
Longwood University	$107,910
Mary Washington College	$308,790
Radford University	$251,820
Virginia Military Institute	$315,900
Virginia State University	$780,660
Richard Bland College	$6,300
Virginia Community College System	$3,096,450
TOTAL	**$22,319,550**

Source: Chapter 2, 2012 Acts of Assembly.

Appendix F
Sum Sufficient Appropriations

There are two distinct types of sum sufficient appropriations in the current appropriation act.

Type one sum sufficient appropriations are generally for services paid by an internal service fund

Background: The first and truest form of a sum sufficient appropriation is generally funded by the Internal Service Fund that supports both positions and related nonpersonal services costs to perform the service. The best examples of these are services provided by the Virginia Information Technologies Agency (for IT services), the Department of General Services (laboratory, real estate, surplus property, procurement, building management, engineering and architectural, graphic design, and vehicle management services), and the Department of Accounts (for the payroll service bureau).

Type one sum sufficients also have the following characteristics: (1) Funding for the activity supported by the sum sufficient is fully costed out by subobject codes in the Performance Budgeting (PB) system. (2) The entire cost of the activity is offset by a negative amount under subobject code 4101 - "Sum Sufficient Recovery" so the activity nets to zero in the budget detail at the subject code level. (3) The amount of the sum sufficient is detailed in the narrative portion of the item along with the name of the service area it is located in.

For Budget Execution: To initiate the sum sufficient appropriation for the initial operating plan on July 1, the agency must create a budget execution adjustment (BEX) using adjustment type "F - Sum sufficient appropriation" for the dollar amount listed in the narrative portion of the appropriation act. The BEX entry for each sum sufficient activity should require a single entry for subobject code 4101 with a positive dollar amount, thus offsetting the negative dollar amount on subobject 4101 in the PB system. This action will provide the desired appropriated total in the operating plan.

If due to inaccurate entries during budget development, the amount budgeted in subobject code 4101 is not sufficient to establish the initial operating plan for the amount identified in the item's narrative, add a positive dollar amount for subobject 4101 as described above and then add the other necessary subobject code amounts to achieve the amount listed in the item narrative.

Make sure to include a statement in the transaction brief that identifies the service area, the activity and the dollar amount. This budget execution adjustment must be submitted so the appropriation is in place on July 1, 2012. To increase the appropriation throughout the year, submit a type "F-Sum Sufficient appropriation" in the PB system

If you have questions, contact your DPB analyst.

Type two sum sufficient appropriations for a payment with an unknown amount

Background: The second type of sum sufficient generally consists of budget language that gives authority to provide a sum during budget execution that is sufficient to make special or specified payments. Examples include sum sufficient provisions found in certain programs in institutions of higher education and the state lottery.

This type of appropriation only involves language and does not require the dollars to be offset by the 4101 subobject code. The language includes, where possible, the purpose of the sum sufficient and the service area supporting the sum sufficient activity.

For Budget Execution: To appropriate dollars, the agency must create a BEX using adjustment type "F - Sum sufficient appropriation" for the appropriate dollar amount using the necessary subobject codes.