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# **FY 2024 Year-End Close Budget Instructions**

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**Virginia Department of  
Planning and Budget**

**May 2024**

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# Introduction

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The following instructions provide information for agencies to close out FY 2024 from a budget execution perspective, as offered by the Department of Planning and Budget (DPB). **Instructions for the start-up of FY 2025 will be included in a separate document.**

The Department of Accounts (DOA) distributes a separate memorandum detailing accounting procedures and payroll information for year-end close (see <https://www.doa.virginia.gov/reference/generalAccounting/yearend.shtml>). **Do not confuse these instructions as a substitute for DOA's instructions.**

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

- **FY 2024** means the fiscal year beginning July 1, 2023, and ending on June 30, 2024.
- **FY 2025** means the fiscal year beginning July 1, 2024, and ending on June 30, 2025.
- **Appropriation Act** means Chapter 1 of the 2023 Acts of Assembly, Special Session I, or a subsequent Act to amend and reenact Chapter 1 and which is in effect for the 2022-2024 biennium.

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

## **New for FY 2024**

For the FY 2024 capital review process, agencies are required to classify the status of all capital projects in a template that will be provided by your DPB analyst. Reporting on all projects at year-end, like was required years ago, is intended to help better facilitate the ongoing effort to analyze and close inactive projects which was communicated last year. Projects that received a final certificate of occupancy or the equivalent for all buildings (BITS form CO-13.3 or CO-13.4) prior to May 1, 2023, and those that have not had expenditures for three years (FY 2022 – FY 2024) must be identified for closure. Removing inactive projects from the list of active projects will allow decision makers to better judge the ability of an agency to handle additional capital projects. An agency with a large number of active projects gives the perception of being unable to manage all of its existing projects, arguing against the approval of any new projects.

In the rare instance that it is not possible to close out a particular project that meets these criteria, please discuss the situation with your DPB analyst and provide justification in the reporting template. As communicated last year, projects that remain open longer than 12 months after receiving a certificate of occupancy, in addition to those without expenditures for the last three years, will be closed administratively at year-end unless sufficient justification is provided for the need to remain open.

Projects meeting the criteria above or that are otherwise ready for closure should be identified in the template provided based on the instructions in this document as well as submitted in the Department of General Services BITS System (via BITS form CO-14). Also ensure that projects that have been closed out with DPB in previous years are closed out in

the Department of General Services BITS System (via BITS form CO-14). Updates to the CO-14 are also in process of being implemented by the Department of General Services to better identify the sources of funding associated with expenditures. Agencies will be required to amend the project funds section of the CO-14 to identify which fund sources should be credited with any savings between actual and authorized amounts in order to align fund sources with actual expenditures. Further information will be provided separately by DEB and DPB as those BITS updates become available.

## Budget execution year-end close dates

The significant budget deadlines for year-end close are as follows:

<i><b>Date</b></i>	<i><b>Action</b></i>
<b>May 17, 2024</b>	Deadline for agencies to submit capital execution transactions for FY 2024 that will be incorporated in the partial reappropriation amounts initially made available in FY 2025 prior to official reappropriation in late July/early August
<b>May 31, 2024</b>	Deadline for agencies to submit the capital project review template to their DPB analyst
<b>May 31, 2024</b>	75% of allotted appropriation balances as of this date will initially be made available in FY 2025 prior to official reappropriation in late July/early August
<b>June 14, 2024</b>	Deadline for agencies to submit execution transactions for FY 2024

# Final FY 2024 Appropriation and Allotment Actions

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## Deadline for FY 2024 execution transactions

The deadline to submit budget execution adjustments in the Performance Budgeting system to DPB for FY 2024 appropriation and allotment actions, both operating and capital, is:

**5:00 p.m., June 14, 2024**

Upon receipt and approval, DPB will process the final FY 2024 actions and transmit them to the Department of Accounts (DOA). **Agency pending budget execution adjustments that no longer need processing must be voided by the agency in the PB system before the closing date.** After this date, agencies will no longer be able to submit FY 2024 budget execution adjustments in the PB system. You will, however, have access to Performance Budgeting system reports after the deadline to allow you to view voided or completed transactions.

## Capital Carryforward Process

Sometime in late July or early August, DOA and DPB will bring forward into FY 2025 the June 30, 2024, capital project appropriation balances for those amounts not identified for reversion in the Capital Project Review process described below. Prior to this reappropriation, DOA will calculate 75 percent of the May 31, 2024, allotted appropriation balance and will process an entry in FY 2025 to grant the calculated amount of allotted appropriation to each applicable capital project. This initial partial reappropriation will enable project expenditures to continue until the carryforward of capital balances has been completed; however, agencies must ensure that expenditures do not exceed 100 percent of the authorized appropriation during this time.

**Appropriation allotments, transfers, and other execution actions needed through early August must be requested by May 17, 2024**, in order to be approved and factored into the initial FY 2025 partial reappropriation entry.

No transfers of capital appropriation may be processed between late June and the completion of the final reappropriation in late July or early August unless the appropriation was first provided in FY 2025. This includes transfers from capital pools.

# Budgetary Only Fund Codes

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Before June 15, 2024, agencies **MUST** clear out any budgetary only fund detail in their operating plan. These fund codes are temporary in nature and **cannot** be used for execution purposes. These codes must be removed from an agency's budget at the close of the fiscal year. Please see the list of budgetary fund details below:

- 02998 Special Fund - Budgetary Only
- 06998 Internal Service Fund -Budgetary Only
- 07998 Trust And Agency Fund - Budgetary Only
- 09998 Ded Spec Rev - Budgetary Only
- 10998 Federal Trust - Budgetary Only

## Capital Projects

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### Review of Active Projects

This year, all active capital outlay projects, including projects authorized in prior biennia or under § 4-4.01 l. of the General Provisions of the Appropriation Act, must be reviewed and categorized as either i) completed and able to be closed out with all remaining appropriation balances reverted, ii) active with unobligated appropriation balances that can be reverted, or iii) active with no appropriation balances that should be reverted. As a result of this review, agencies are required to submit information for all active projects in a template that will be provided by their DPB analyst. Note that this is a change from recent years where submissions were made in the Performance Budgeting System and were only required for certain projects.

Projects that received a final certificate of occupancy or the equivalent for all buildings (BITS form CO-13.3 or CO-13.4) prior to May 1, 2023, and those that have not had expenditures for three years or more must be identified for closure in the template. This means all work for which a building permit (BITS CO-17) was issued has received a final certificate of occupancy (BITS CO-13.3) or the equivalent (BITS CO-13.4) and that no additional building permits are needed in the future or that the project has not had expenditures in FY 2022 through FY 2024. Removing inactive projects from the list of active projects will allow decision makers to better judge the ability of an agency to handle additional capital projects. An agency with a large number of active projects gives the perception of being unable to manage all of its existing projects, arguing against the approval of any new projects. In the rare instance that it is not possible to close out a particular project that meets these criteria, please discuss the situation with your DPB analyst and provide justification in the reporting template. Projects that remain open longer than 12 months after receiving a certificate of occupancy or that have not had expenditures in the last three fiscal years without sufficient justification for the need to remain open will be closed administratively at year-end.

Projects meeting the criteria above or that are otherwise ready for closure should be identified in the template provided based on the instructions below as well as submitted in the Department of General Services BITS System (via BITS form CO-14). Also ensure that projects

that have been closed out in the PB System in previous years are closed out in the Department of General Services BITS System (via BITS form CO-14). Updates to the CO-14 are also in the process of being implemented by DGS to better identify the sources of funding associated with expenditures. Agencies will be required to amend the project funds section of the CO-14 to identify which fund sources should be credited with any savings between actual and authorized amounts in order to align fund sources with actual expenditures. Further information will be provided separately by DEB and DPB as those BITS updates become available.

Completed templates must be returned to your DPB analyst by **May 31, 2024**.

#### Completing the Capital Project Review Template:

The template provided by your DPB analyst will include a list of all active capital projects by fund source. Therefore, projects with appropriation in multiple fund details will have a separate row for each fund detail. Expenditure and appropriation data in the template is current as of May 1, 2024, and is provided for informational purposes.

Use the following steps to complete the template **for each project and fund detail**:

1. Year Project Was Originally Authorized column: Enter the year of the Appropriation Act, other authorizing legislation, or executive action that first authorized the project. A good place to look for this information is the CO-2.
2. Carryforward Type column: Select among the following types as appropriate for all listed projects. Projects where multiple fund details are reflected in separate rows must have the same selection for each row; highlighted cells indicate that these selections differ.
  - Select “A” (active, carryforward all balances) if the project should remain active and have all appropriation balances carried forward into FY 2025, with no balances reverted.
  - Select “B” (active, partial reversion) if the project should remain active, but some appropriation balances can be reverted.
  - Select “C” (project complete) if the project should be closed and all appropriation balances can be reverted.
3. Reversion Amount column: Indicate the amount of unexpended appropriation that should be reverted at year end. This amount will not be carried forward into FY 2025.
  - If “B” (active, partial reversion) was selected in the Carryforward Type column, enter the amount of appropriation to be reverted for each fund detail;
  - If “C” (project complete) was selected in the Carryforward Type column, enter the amount of the balance anticipated to be available on June 30, 2024, for each fund detail. (For projects designated to be closed, the Department of Accounts will revert the entire June 30 balance.); or
  - If “A” (active, carryforward all balances) was selected in the Carryforward Type column, there should be no reversion amounts indicated in this field.
4. Project Stage column: select the appropriate stage that the project is in for all projects where Carryforward Type “A” (active, carryforward all balances) or “B” (active, partial reversion) was selected. Options include preplanning, detailed

- planning, working drawings, construction, and N/A. If N/A is selected, please explain the project status in the Description/ Justification column. Projects where multiple fund details are reflected in separate rows must have the same selection for each row; highlighted cells indicate that these selections differ.
5. Required final certificates of occupancy (or equivalent) received by 5/1/2023? column: Select the appropriate option as described below. Projects where multiple fund details are reflected in separate rows must have the same selection for each row; highlighted cells indicate that these selections differ.
    - Select “yes” if the project received final certificates of occupancy or the equivalent (BITS form CO-13.3 or CO-13.4) for all work needing a building permit (BITS CO-17) by May 1, 2023, and no additional building permits are needed in the future.
    - Select “no” if the project has not received all final certificates of occupancy or the equivalent (BITS form CO-13.3 or CO-13.4) for all work needing a building permit (BITS CO-17) by May 1, 2023, or if additional building permits are needed in the future.
    - Select “N/A” if building permits and certificates of occupancy or equivalent are not applicable to the project.
  6. Have expenditures been made within the last three fiscal years? column: This column has been prepopulated based on the presence or absence of expenditures from FY 2022 through FY 2024 by project and fund detail. FY 2024 expenditures are as of May 1, 2024. You may change this selection from no to yes if future expenditures are expected in FY 2024.
  7. Description/Justification column: Enter justification to keep projects open that meet the criteria explained above for project closure or any other information pertinent to this exercise. Justification must be provided for all projects meeting the criteria for closure that do not have a Carryforward Type of “C” (project complete) selected. If “N/A” was selected for project stage, explain the status of the project here.

Note that there may be some projects still showing as active projects that were submitted to be closed in a prior year and were instead kept open in order to allow for the transfer of remaining appropriation balances back to a capital pool or in order to direct the transfer of remaining appropriation balances through proposed budget language. In such instances, please indicate that these projects may be closed again.