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# **FY 2025 Year-End Close FY 2026 Start-Up Budget Instructions**

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**Virginia Department of  
Planning and Budget**

**May 2025**

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# Introduction

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The following provides detailed instructions and procedures to close out FY 2025 and start-up FY 2026 budgets for both operating and capital appropriations.

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.**

In addition, this year DPB has issued a separate set of instructions for the annual Capital Project Review. Please see those separate instructions and contact your DPB Budget analyst for information on making that submission.

The significant deadlines for year-end close and new year start-up actions are as follows:

<i><b>Date</b></i>	<i><b>Action</b></i>
<b>May 16, 2025</b>	Deadline for agencies to submit capital execution transactions for FY 2025 that will be incorporated in the partial reappropriation amounts initially made available in FY 2026 prior to official reappropriation in late July/early August
<b>May 31, 2025</b>	75% of allotted appropriation balances as of this date will initially be made available in FY 2026 prior to official reappropriation in late July/early August
<b>June 4, 2025</b>	Deadline for agencies to submit the capital project review template to their DPB analyst – see separate Capital Project Review instructions.
<b>June 13, 2025</b>	Deadline for agencies to submit final execution transactions for FY 2025
<b>June 16, 2025</b>	The Performance Budgeting (PB) system becomes available for FY 2026 transactions
<b>June 20, 2025</b>	Deadline to submit FY 2026 budget execution adjustments that must be in place when DOA's Cardinal system opens for the new year
<b>July 25, 2025</b>	Deadline for agencies to submit budget execution adjustments to clear out convenience subobject codes other than the xx95 series. Agencies should plan on coordinating with their budget analyst if this deadline cannot be met. Budgets will be reviewed in the fall.
<b>August 22, 2025</b>	Deadline for cabinet secretaries and agency heads to electronically return the "Deficit Provision Acknowledgement Form"

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

- **Appropriation Act** means the budget as passed by the 2025 General Assembly, for the 2024-2026 biennium (Chapter 725, 2025 Acts of Assembly).
- **FY 2025** means the fiscal year beginning July 1, 2024, and ending on June 30, 2025.
- **FY 2026** means the fiscal year beginning July 1, 2025, and ending on June 30, 2026.
- **PB system** means the Commonwealth's Performance Budgeting system.

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

# Deficits

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## Section 4-3.01 Requirements

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

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. Any agency currently aware of potential deficits **must** notify DPB immediately. **Do not** wait until year-end close is underway.

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 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, or its head if there is no governing board, shall be personally liable for the full amount of such unauthorized deficit. At the discretion of the Governor, violators shall be deemed guilty of neglect of official duty and will be subject to removal from his/her position.

## Required Form

Section 4-3.01 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 Deficit Provision Acknowledgement form which is available on the DBP website in the same place where you downloaded these instructions. An example of this form is found in **Appendix A** of this document.

A signed Deficit Provision Acknowledgement 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 signature of the cabinet secretary or agency head.**

Signed forms must be returned electronically by **Friday, August 22, 2025**, using the following procedures:

- Download the standalone Microsoft Word version of the Deficit Provision Acknowledgement Form from the DPB website;
- After your agency head has signed the form, make a scanned copy of the original, signed document and save it as a PDF;
- Email the PDF copy to [budget@dpb.virginia.gov](mailto:budget@dpb.virginia.gov).

NOTE: Provide your agency name and agency number, *as well as the phrase* “Deficit Provision Acknowledgment Form” in the subject line of the email.

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 classified 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 FY 2025 Appropriation and Allotment Actions

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## Deadline for FY 2025 execution transactions

The deadline to submit budget execution adjustments in the Performance Budgeting system to DPB for FY 2025 appropriation and allotment actions, both operating and capital, is:

**5:00 p.m., June 13, 2025**

Upon receipt and approval, DPB will process the final FY 2025 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 2025 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 2026 the June 30, 2025, capital project appropriation balances for those amounts not identified for reversion in the Capital Project Review process (see separate instructions posted to the DPB website). Prior to this reappropriation, DOA will calculate 75 percent of the May 31, 2025, allotted appropriation balance and will process an entry in FY 2026 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 16, 2025,** in order to be approved and factored into the initial FY 2026 partial reappropriation entry.

## Budgetary Only Fund Codes

Before June 13, 2025, 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
- 05998 Enterprise 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



# FY 2026 Operating Appropriations

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## Establishing Appropriations

DPB will create initial appropriations and allotments for FY 2026 operating expenses and transmit them to Cardinal so that they are available when DOA opens Cardinal for FY 2026.

**Agency action is not required.** DPB's initial actions will include:

- Establish FY 2026 legislative appropriations per the Appropriation Act.
- Transfer (rollover) Fund 01000 to Fund 03000 in program 100 (Educational, General, and other applicable programs) for institutions of higher education for the initial FY 2026 legislative appropriations in the Appropriation Act.
- Unallot FY 2026 appropriations based on language in the Appropriation Act that directs certain appropriations to not be initially allotted and available for expenditure on July 1, 2025, for the following reasons:
  - ✓ Some type of prior approval by the Governor or other designated person is required;
  - ✓ There is a match requirement;
  - ✓ The appropriation is not expended in the agency to which it is made, but is transferred to other agencies for expenditure; or
  - ✓ The appropriation is being unallotted in response to potential revenue shortfalls.

A listing of the unallotted appropriations can be found in **Appendix F**. 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, 2025

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. In certain situations, an agency may require FY 2025 NGF cash balances be brought forward to FY 2026 by July 1, particularly when no NGF appropriation is established in the Appropriation Act. If this need occurs, see the section below titled "Appropriation of FY 2025 Nongeneral Fund Cash Balances" for submission requirements.

The PB system execution module will be available on **June 16, 2025**, for FY 2026 budget execution adjustments. For any appropriations to be available when Cardinal is opened for the new fiscal year, budget execution adjustments must be submitted by **June 20, 2025**.

## Reappropriation of FY 2025 Unexpended General Fund Appropriations

As part of the year-end close process, the State Comptroller will revert all unexpended general fund operating expense appropriations to the fund balance of the general fund. Language in § 4-1.05 a. of the 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 § 23.1-1002, Code of Virginia.

However, for institutions of higher education, the cash balance in Educational and General program (Fund 03000) 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 2025 and will be reappropriated in accordance with the provisions of § 23.1-1002, Code of Virginia.

Any amounts available for reappropriation for each agency or institutions of higher education will be based on the State Comptroller’s report of unexpended general fund balances (Cardinal Report ID RGL006) for FY 2025 final close and will include any adjustments required by the Governor’s office. 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 affect current or future cost savings.

Governor-approved amounts for reappropriation must be reappropriated to the respective programs in which the balance occurred. If any such reappropriation actions are authorized by the Governor, DPB will centrally load the general fund reappropriation amounts in the PB system and will notify agencies with the approved amounts by program. These actions generally occur in late fall.

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 thorough transaction brief providing the basis for the request. (See **Appendix G** for additional BEX type M requirements.)

## Appropriation of FY 2025 Nongeneral Fund Cash Balances

Appropriations for unexpended nongeneral fund cash balances **are not** automatically brought forward in the PB system and Cardinal. Unexpended nongeneral fund cash balances on June 30, 2025, must be reappropriated in the PB system to be available for expenditure in FY 2026. The appropriation is subject to DOA's cash controls. DOA **will not** approve expenditures that exceed the available cash.

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 2026 or the FY 2026 appropriation is insufficient to meet the provisions of § 4-1.04 a., **Unappropriated Nongeneral Funds**, of the Appropriation Act.

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

- Verify on DOA's final close report (Cardinal Report ID RGL001) the actual unexpended cash balance.
- Submit a budget execution adjustment type "E" (Nongeneral fund cash balance) to DPB requesting appropriation and allotment of the amount estimated to be needed in FY 2026.

For special situations where nongeneral fund cash balances must be in place by July 1 of the new fiscal year:

- Use adjustment type "E" (Nongeneral fund cash balance). The amount requested should not exceed the agency's estimate of the cash balance less Accounts Payable in that fund detail that will be unexpended on June 30, 2025.
- Some of the June 30, 2025, cash balance may have been anticipated during budget development and included in the FY 2026 nongeneral fund appropriations in the Appropriation Act. If so, such amounts should be netted out of your 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. (See **Appendix G** for additional BEX type E requirements.)

## 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 2026, a budget execution

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. It is the agency’s responsibility to provide cash to support the appropriation thus created. (See **Appendix G** for additional BEX type G requirements.)

## Modifications to Software Related Subobject Codes

In order to implement recent Governmental Accounting Standards Board (GASB) reporting standards regarding Subscription Based Information Technology Arrangements (SBITA), the titles and definitions for two existing subobject codes will be fully replaced effective July 1, 2025. Several related subobject code definitions will be modified to provide clarification in relation to the new definitions. A summary of these changes is below and will also be available as part of DPB’s annual Chart of Accounts report.

Subobject Code	Current Title/Definition	Modified Title/Definition
1523	Computer Software Capital Leases: Include expenses for capital lease agreements for mainframe or large enterprise servers’ application software, utility programs, and operating system software.	Subscription-Based Information Technology Arrangements (SBITA) – Long Term: Include expenses for right-to-use IT subscription arrangements where the non-cancelable term is greater than 12 months and the calculated subscription asset value is \$5,000 or greater. This includes enterprise software applications, software as a service application (SaaS, IaaS, PaaS), Cloud subscriptions, and other software services without a perpetual license.
1533	Computer Software Rentals: Include expenses for operating leases of central processor equipment like mainframe or large enterprise servers’ computer application software, utility programs, and operating system software.	Subscription-Based Information Technology Arrangements (SBITA) – Short Term: Include expenses for right-to-use IT subscription arrangements where the maximum non-cancelable term, including all extension options, is 12 months or less with no termination option or greater than 12 months with a calculated subscription asset value less than \$5,000. This includes enterprise software applications, software as a service application (SaaS,

Subobject Code	Current Title/Definition	Modified Title/Definition
		IaaS, PaaS), Cloud subscriptions, and other software services without a perpetual license.
1205	Seat Management Services: Include expenditures for Seat Management services, which provide computer hardware and software through a contract from a single source. Services include hardware, software, support, and disposal.	Seat Management Services: Include expenditures for Seat Management services, which provide computer hardware and software through a contract from a single source. Services include hardware, software, support, and disposal. Charge SBITA liabilities to either 1523 or 1533.
1272	VITA Pass Thru Charges (New Code): Include expenses for pass through charges for goods and services procured through VITA/NG partnership and billed by VITA such as agency specific software maintenance renewals and other software not included in the VITA rate structure (e.g., Adobe Acrobat, Visio, and Toad). 3 (In scope agencies)	VITA Pass Thru Charges: Include expenses for pass through charges for goods and services procured through VITA or VITA state-wide contracts and billed by VITA such as agency specific software maintenance renewals and other software not included in the VITA rate structure.
1275	Computer Software Maintenance Services: Include expenses for services provided to maintain computer software.	Computer Software Maintenance Services: Include expenses for services, such as service and maintenance agreements, provided to maintain computer software. Charge SBITA liabilities to either 1523 or 1533.
2218	Computer Software Purchases: Include expenditures for the purchase of Commercial off the Shelf Software (COTS), to include applications, utility programs, and operation system software. The term software is a general term that refers to all programs or instructions that are used to operate computer hardware. Software causes computer hardware to perform activities by telling a computer how to execute functions and tasks. Code contracts for software development to 1279.	Computer Software Purchases: Include expenditures for the purchase of Commercial off the Shelf Software (COTS), to include applications, utility programs, and operation system software with a perpetual license. The term software is a general term that refers to all programs or instructions that are used to operate computer hardware. Software causes computer hardware to perform activities by telling a computer how to execute functions and tasks. Code contracts for software development to 1279.

## Clearing Out Convenience Subobject and Fund Codes for FY 2026

An agency's initial appropriations for FY 2026 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 Cardinal must be coded using valid expenditure subobject codes, these convenience codes must be replaced with valid objects of expenditures and fund details.

If any convenience codes exist in an agency's budget, **agencies are required to submit a budget execution transaction using adjustment type "M" (Adjustment to service areas and subobject codes) by July 25, 2025, to convert any remaining convenience subobject and fund detail codes to regular subobject and fund codes.** It should be noted that expenditures cannot be posted against the xx95 convenience codes in Cardinal.

**Agencies should 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 should be removed by July 25, 2025, 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

For full descriptions of these convenience codes, refer to the complete list of subobject and fund codes available in PB "Chart of Accounts" reports, available in the PB system reports subsystem and at the Chart of Accounts tab on the "Virginia's Budget" section of DPB's Web site [\[Link to Chart Of Accounts Reports\]](#) or [\[Direct link to the COA Subobjects Report\]](#).

# Central Appropriations and Part 3 Transfers

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## Central Appropriations Transfers

Transfers included in Central Appropriations of the Appropriation Act may affect your agency's budget. **Appendix B** includes a summary of the Central Appropriations transfers for FY 2026 impacting multiple agencies and for which dollar amounts by agencies are not identified.

## Part Three Transfers

Various paragraphs within § 3-1.01 of the Appropriation Act instruct the State Comptroller to transfer specified cash balances from nongeneral fund accounts to the general fund. You should read the entirety of § 3-1.01 and scan the remainder of Part 3 to ascertain any potential impact to your agency.

## FY 2026 Fringe Benefit Rates

Employer fringe benefit rates are based on the latest Appropriation Act and other existing law. Further rate documentation can be found in the Department of Accounts (DOA) fiscal year-end payroll bulletin. Payroll bulletins can be found at the following DOA Web link:

<https://www.doa.virginia.gov/reference/payroll/bulletins.shtml>

Please note that beginning July 1, 2024, the Virginia Retirement System (VRS) changed the way employer contributions are calculated and paid for employees in the Hybrid Retirement Plan. More information on this change can be found at the following VRS Web link:

<https://employers.varetire.org/hybrid-rate-separation/>

A copy of the most current (as of the printing of this document) employer benefit rates can be found in **Appendix C**.

# Higher Education Specific Items

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## Higher Education Equipment Trust Fund Lease Payments

The 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 in previous years, the general fund and nongeneral fund appropriations are included within the Treasury Board budget instead of 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 included as part of the Treasury Board budget, the debt service payment is made 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 Appropriation Act. Therefore, DOA will take action on or about July 1 to transfer the appropriate cash amount listed in Item 264, paragraph D. 5. for all institutions from balances in Fund 03000 (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 (Higher Ed Institutions Only)

The 2025 General Assembly made no changes to the fee to be charged to out-of-state students beginning in FY 2026. The funds will be used to pay a portion of the debt service on bonds issued under the 21<sup>st</sup> Century Program. Item 264, paragraph D. 4. of the Appropriation Act sets out the amounts designated for each institution. No action is necessary at this time. See **Appendix E**.



# Appendices

## APPENDIX A: Deficit Provision Acknowledgment Form

*[Actual form is available in the same location on the DPB website where you downloaded these instructions]*

### Section A (for all agencies)

#### Agency Acknowledgement

I have received, read, and understand your instructions regarding indebtedness of state agencies as they relate to the requirements of § 4-3.01 of the current Appropriation Act.

Agency Name \_\_\_\_\_ Agency Code \_\_\_\_\_

Other agencies in the Act (if any) for which your agency is responsible: \_\_\_\_\_

\_\_\_\_\_

Agency/Cabinet Head Name \_\_\_\_\_

Agency/Cabinet Head Signature \_\_\_\_\_

*(Personal signature is required above and cannot be delegated)*

Date \_\_\_\_\_

### Section B (if applicable to your agency)

#### Supervisory Board *(see §2.2-2100 of the Code of Virginia for what constitutes a “supervisory board”)*

I have provided each member of the supervisory 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: \_\_\_\_\_

#### **E-mail to:**

Digitally sign or scan the signed original; Save as a PDF, and Email to [budget@dpb.virginia.gov](mailto:budget@dpb.virginia.gov).

NOTE: Provide your agency name and agency number as well as the phrase “Deficit Provision Acknowledgment Form” in the subject line of the email.

## APPENDIX B: Multi-Agency Transfers in Central Appropriations

Item	Transfer Description
469 G.	GF cost of state employee health insurance premium changes
469 H.	GF savings of state employee retirement contribution changes
469 J.	GF savings of state employee Other Post-Employment Benefit changes
469 N.	GF cost of Line of Duty Act premium and enrollment changes
469 O.	GF savings of workers' compensation premium changes
469 Q.	GF cost of the minimum wage increase for state employees
469 R.	GF cost of state employee salary increase
469 S.	GF cost of state supported local employee salary increase
469 T.	GF cost of adjunct faculty base pay increase
469 U.	GF cost of graduate teaching assistant base pay increase
470 C.	GF cost of estimated changes in technology services usage
470 D.	GF cost of state agency rental costs
470 E.	GF savings of agency charges for the Cardinal Financial System
470 F.	GF savings of agency charges for the Cardinal Human Capital Management System
470 G.	GF savings of agency charges for the Performance Budgeting System
470 H.	GF savings of agency charges for fleet vehicle management
470 I.	GF savings of agency charges for single-agency leases
470 J.	GF savings of agency charges for liability coverage premiums
470 M.	GF cost of agency charges for property insurance premiums

## APPENDIX C: Employer Fringe Benefit Rates

Employer fringe benefit rates are based on the latest Appropriation Act and other existing law. Further rate documentation can be found in the Department of Accounts (DOA) fiscal year-end payroll bulletin. Payroll bulletins can be found at the following DOA Web link:

<https://www.doa.virginia.gov/reference/payroll/bulletins.shtml>

Sub Object	Benefit	FY 2026 Rates/Factors <sup>1</sup>
1111	<b>VRS Retirement Contributions<sup>2</sup></b> State Employees Virginia Law Officers Retirement (VaLORS) State Police (SPORS) Judges (JRS)	12.52% 24.60% 31.32% 30.67%
1112	<b>Social Security<sup>3</sup></b>	6.20% <b>capped</b> at \$176,100
1112	<b>Medicare</b>	1.45%
1114	<b>Group Life</b>	1.18%
1115	<b>Annual Employer Health Insurance Premiums</b> <i>COVA Care</i> Single Employee + One Family <i>COVA High Deductible</i> Single Employee + One Family <i>COVA HealthAware</i> Single Employee + One Family <i>Kaiser Permanente</i> Single Employee + One Family <i>Sentara Health Plans</i> Single Employee + One Family	\$9,960 \$17,856 \$26,148 \$8,868 \$16,392 \$23,976 \$9,960 \$17,856 \$26,148 \$9,960 \$17,856 \$26,148 \$9,792 \$17,568 \$25,500
1116	<b>Retiree Health Insurance Credit Premium</b>	1.12%
1117	<b>VSDP &amp; Long-Term Disability Insurance</b>	0.50%
1118	<b>Teachers Insurance and Annuity<sup>4</sup> Plan 1</b> <b>Teachers Insurance and Annuity<sup>4</sup> Plan 2</b>	10.40% 8.50%
1119	<b>Defined Contribution Program<sup>5</sup> Plan 1</b> <b>Defined Contribution Program<sup>5</sup> Plan 2</b>	10.40% 8.50%
1138	<b>Deferred Compensation Match Payments</b>	One-half of employee's contribution per pay period, up to a max of \$20 per pay period or \$480 annually

<sup>1</sup> Percentages refer to percent of salaries. Health insurance premiums are the annual employer dollar cost for an individual.

<sup>2</sup> Rates reflected in this table are only the defined benefit rates for Plan 1, Plan 2, and Hybrid employees. Employers with Hybrid employees will be assessed an additional rate of between 1.00% and 3.50% of salary, depending on the individual Hybrid employee elections.

<sup>3</sup> The \$176,100 Social Security cap applies to calendar year 2025. Future year caps are unknown at this time.

<sup>4</sup> For institutions of higher education: This includes alternative retirement options, such as TIAA-CREF, for those employees as defined in § 51.1-126 of the Code of Virginia. Plan 1 employees are those employees hired before July 1, 2010. Plan 2 employees were hired after June 30, 2010.

<sup>5</sup> Used for employees eligible for a defined contribution plan established pursuant to § 51.1-126.5 of the Code of Virginia.

## APPENDIX D: FY 2026 HEETF Lease Payments

Institution	FY 2026 Amount (NGF 03000)
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
University of Mary Washington	\$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
<b>Total</b>	<b>\$4,842,602</b>

**Note:** Table reflects amounts in Item 264, Paragraph D.5.

## APPENDIX E: FY 2026 Capital Fee for Out-of-State Students

Institution	FY 2026
George Mason University	\$2,804,490
Old Dominion University	\$1,108,899
University of Virginia	\$5,006,754
Virginia Polytechnic Institute and State University	\$5,192,295
Virginia Commonwealth University	\$2,359,266
College of William and Mary	\$1,639,845
Christopher Newport University	\$131,508
University of Virginia's College at Wise	\$48,330
James Madison University	\$2,843,787
Norfolk State University	\$420,789
Longwood University	\$106,149
University of Mary Washington	\$234,834
Radford University	\$300,486
Virginia Military Institute	\$400,470
Virginia State University	\$773,577
Richard Bland College	\$10,830
Virginia Community College System	\$3,301,665
<b>Total</b>	<b>\$26,683,974</b>

**Note:** Table reflects amounts in Item 264, Paragraph D.4.

## APPENDIX F: Appropriations Not To Be Allotted July 1, 2025

Chapter 725, 2025 Acts of Assembly, contains certain appropriations that are initially withheld from expenditure on July 1, 2025, and therefore unallotted. Funds are generally unallotted for the following reasons:

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

These appropriations will be established as unallotted in the PB System and Cardinal on July 1, 2025, 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.

The amounts in the following table are specific amounts to be unallotted for the reasons shown in the description column per appropriation act requirements.

Item	Agency	Amount	Fund	Program / Service Area	Description
61 D.	Compensation Board (157)	\$377,010	01000	35601	Unbudgeted emergency medical expenses
64.I	Compensation Board (157)	\$600,000	09163	77202	Contingent upon agreements reached with the Commonwealth's Attorneys related to the Insurance Fraud Fund.
115 J.	Virginia Innovation Partnership Authority (309)	\$3,750,000	01000	53412	Virginia Biosciences Health Research Corporation - contingent on approval of DPB Director
119 A.	Department of Education, Central Office Operations (201)	\$19,541,151	01000	18401	Contingent upon updated report on the annual contract cost
120 C.	Department of Education, Central Office Operations (201)	\$1,922,461	01000	18501	Office of School Quality—contingent on submission of reports
203 B2.	Virginia Community College System (260)	\$1,086,350	03000	53427	Contingent upon match from U.S. Department of Commerce to develop a

Item	Agency	Amount	Fund	Program / Service Area	Description
					manufacturer assistance program
203 F.	Virginia Community College System (260)	\$470,880	03000	53427	Each center shall provide a 25 percent match prior to the release of state funding
285 D.	Department of Health Professions (223)	\$600,000	02095	56044	Contingent upon review of cost estimate of system changes to the Prescription Monitoring Program
292 DD.	Department of Medical Assistance Services (602)	\$2,200,000	01000	49901	Contingent upon documentation of actual costs to replace system and only for actual expenditures
292 DD.	Department of Medical Assistance Services (602)	\$112,078	09780	49901	Contingent upon documentation of actual costs to replace system and only for actual expenditures
292 DD.	Department of Medical Assistance Services (602)	\$19,687,922	10000	49901	Contingent upon documentation of actual costs to replace system and only for actual expenditures
292 PP.	Department of Medical Assistance Services (602)	\$3,094,795	01000	49901	Contingent upon documentation of contract's cost
292 PP.	Department of Medical Assistance Services (602)	\$16,216,115	10000	49901	Contingent upon documentation of contract's cost
326 J.	Department of Social Services (765)	\$7,310,288	01000	46010	Contingent upon providing documentation of biennial contract costs
326 J.	Department of Social Services (765)	\$6,482,709	10000	46010	Contingent upon providing documentation of biennial contract costs
404 A.1.	Department of Emergency Management (127)	\$1,000,000	09281	71201	Approval of expenditures by the Wireless E-911 Services Board required for allotment

## APPENDIX G: Budget Execution Adjustment (BEX) Documentation

Required documentation for relevant budget execution adjustments (BEX) is listed in the table below:

BEX Type	Required Documentation
E – Nongeneral fund cash balances	<p>Agencies should attach a Cardinal Trial Balance report documenting the year end cash balance, net of any accounts payable at that time. The same report should be run for the current fiscal month to demonstrate that the cash is still present.</p> <p>Agencies should also address the following questions in their narrative justification:</p> <ul style="list-style-type: none"> <li>• Is the cash essential to meet an obligation of the prior year that the agency could not otherwise meet?</li> <li>• What is the nature of the obligation (describe it) and what are the consequences of not approving the transaction?</li> <li>• Is the obligation one-time or ongoing? If ongoing, what is the source of future funding? If the adjustment is ongoing, has the agency adjusted its base to account for the nongeneral fund revenue?</li> <li>• Is the cash essential for continuing services, addressing workload increases, or providing better quality services in the second year?</li> <li>• Are the services for clients or for activities specifically mandated by the Governor, General Assembly, federal government, or the courts?</li> <li>• What are the program consequences of not approving the transaction?</li> <li>• What assumptions, if any, are used in calculating the request?</li> </ul>
G – Additional Nongeneral Fund Revenue Appropriations	<p>These adjustments must be for amounts in excess of the original legislative appropriation, and should also be for revenues not already accounted for in the agency's Six Year Nongeneral Fund Revenue forecast submitted as part of fall budget development.</p> <p>Agencies should attach documentation of the additional revenue, such as a grant/award letter or if the revenue has already been received, a Cardinal Trial Balance report demonstrating the received revenue.</p> <p>Agencies should also address the following questions in their narrative justification:</p> <ul style="list-style-type: none"> <li>• Which of the criteria specified in §4-1.04.a.3.a) are met by this request?</li> <li>• What is the source of additional revenue?</li> <li>• Is it one-time or ongoing? If the adjustment is ongoing, has the agency adjusted its base to account for the nongeneral fund revenue?</li> <li>• How will additional revenue affect agency programs, e.g., expand services or maintain service levels?</li> <li>• Does the additional revenue imply a general fund commitment, e.g., state match or long term spending commitment?</li> <li>• Can general fund appropriations be reduced as a result of additional nongeneral fund revenue?</li> <li>• Why was the additional revenue not included in the agency's biennial budget request?</li> </ul>



BEX Type	Required Documentation
M – Adjustment to service areas and subobject codes	<p>These adjustments are frequently referred to as an “Operating Plan” adjustment, because their primary purpose is to make technical adjustments to the agency’s Operating Plan in the PB System.</p> <p>These adjustments must be net zero and cannot result in a net increase or decrease in a fund detail’s appropriation or a program’s appropriation.</p> <p>Agencies may move appropriation between subobjects within a service area/ fund detail (other than unallotted subobjects – 1188, 1611) or between service areas within the same program/ fund detail.</p> <p>If making adjustments to multiple programs and/or funds in one BEX, all transfers must be net zero within each program and/or fund, as applicable.</p> <p>Agencies should describe the adjustment and justify the need in the BEX.</p>