

Bureau of State Accounting Operations

Budgets and Spending

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NYS COMPTROLLER
THOMAS P. DiNAPOLI

2020 Fall Conference

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The Budget Process

- **June – September/October:** Agency Budget Preparation
- **September/October – December:** Division of Budget Review
- **November – January:** The Governor's Decisions
- **January – March:** Legislative Action
- **April – March:** Budget Execution



See GFO Chapter II, Section 3 –
New York State Financial Cycle for
more information



Budget Management

- Includes budgeting, allocating and controlling funds in accordance with State Laws.
- Ensures funds are not obligated or disbursed in excess of those appropriated and segregated.
- Provides agencies with tools for managing appropriations.



Appropriation – Defined

An appropriation is a statutory authorization to make expenditures during a specific State fiscal year, and to make disbursements for the purposes designated, up to the stated amount of the appropriation:

- By a State Dept or Agency
- For a Named Program
- Payable from a Specified Fund
- For Specified Purposes, Account



Appropriation Types

- State Operations
- Local Assistance
- Debt Service
- Capital
- Member Items



Appropriation Types – State Operations

Personal Service

- Includes the payment of salaries and compensation for State employees.

Non-Personal Service

- Includes payments for miscellaneous contractual obligations, supplies and materials, travel, rentals and repairs, utilities, postage and shipping, printing, telephone, and other operating costs.

General State Charges

- Includes costs mandated by statute, collective bargaining agreements or court order. Charges in this category can be further subdivided into the following:
 - Fringe Benefits
 - Fixed Costs



Appropriation Types – Local Assistance

- Used for GRANT Payments to:
 - Local Governments
 - School Districts
 - Not-for-Profit Organizations
 - Financial Assistance To, Or On Behalf Of, Individuals



**American
Red Cross**



Appropriation Types – Debt Service

- Principal & Interest on State Debt
- Principal & Interest on Public Authority Debt
- Lease-Purchase and Contractual Obligations for State Facilities and Programs Financed with Non-State Debt
- Debt-Related Expenses



Appropriation Types – Capital Projects

- State Construction Projects
- State Assistance for Local Government Projects
- Construction Management (e.g. Design & Supervision)



Appropriation Periods

- State Finance Law – Section 40 provides Liability Periods, Appropriation Periods and Lapse Dates
- State Constitution – 2-Year Life Maximum
- Most appropriations are available for one year, April 1st to March 31st plus a carryout period for outstanding liabilities
- Budget Bills oftentimes NOTWITHSTAND State Finance Law and permit liabilities ‘Heretofore’ or ‘Hereafter’ to be paid from Current Year appropriations



Lapsing Periods

<u>Appropriation Type</u>	<u>Period of Appropriation</u>	<u>Lapse Period</u>
SUNY-State Operations & Local Assistance	07/01-06/30	07/01-09/30
SUNY-Local Assistance Community College	04/01-03/31	04/01-09/30
CUNY-State Operations	07/01-06/30	07/01-09/30
State Operations-All other Depts.-Ch. 50	04/01-03/31	04/01-06/30
Local Assistance-Ch. 53	04/01-03/31	04/01-09/15
Capital Projects (Including SCF01 & CCF01)Ch. 54	04/01-03/31	04/01-09/15
Debt Service-Ch. 52	04/01-03/31	04/01-09/15
Legislature & Judiciary-Ch. 51	04/01-03/31	04/01-09/15
Special Purpose Bills or Appropriations	See SFL: Section 40, subdivision 3, par. (d)	
Special Emergency Appropriations	See SFL: Section 53, subdivision 5	



Lapsing Process and Agency Responsibilities

- Prior to lapsing: Review the NYKK0004 – Appropriations Due To and Not Due to Lapse- report discrepancies to Appropriations@osc.ny.gov
- Negative Segregations must be fixed for any lapsing appropriations- use SFS report NYKK0264 to identify negative balances.
- FBIC journals with errors must be fixed and posted prior to lapsing.
- Monitor pending transaction for lapsing budgets using SFS report NYAP1547 - all transactions for lapsing appropriations must be posted or deleted prior to lapsing.
- No agency transactions after 5pm on the day of lapsing.
- See OSC Guide to Financial Operations (GFO), Chapter XVII, Section 3 for lapsing guidance and lapsing transaction deadlines.



Chart of Accounts

- Business Unit
- Department
- Program
- Fund
- Account
- Budget reference
- Project/Activity
- Other Fields: Product, Operating Unit, Chartfield1, etc.



“Roll-ups” and Trees – Transactional to Budget

Accounting entries for source transactions (vouchers, deposits, journal entries, etc.) use “transactional” values.

The transactional values “roll-up” to different levels on each type of tree.

- KK_SW_PRGM – Commitment Control Statewide Program Tree
- KK_SW_ACCOUNT – Commitment Control Statewide Account Tree
- KK_SW_DEPT – Commitment Control Statewide Department Tree
- KK_DB_PRGM – Commitment Control DOB Program Tree
- RPT_SW_PRGM – Statewide Program Reporting Tree

Job Aid – JAA-KK215-018 Using Tree Viewer



Statewide Program Trees

New Program Value Process:

- The Bureau of State Accounting Operations will reach out to agencies, based on the new year Executive or Enacted budget, to determine if a new program value is needed.
- Agencies will be contacted for confirmation of new program, program naming and placement on the trees.
- Agency responses will be reviewed and approved by OSC's Bureaus of State Accounting Operations and Financial Reporting and Oil Spill Remediation and the Division of Budget.
- OSC will submit the request for new Program values to SFS.
- SFS will assign one budgetary program value and one transactional value.
- Agency can request additional transactional values as needed.



Statewide Program Trees

- SFS will make the budgetary and transactional values available for use once the budget is enacted and they are approved for placement on the trees.
- Length of time taken to create a new program value depends on timeliness of agency responses regarding the placement of the new value.

Program values are maintained in KK and Reporting trees. The trees are located in tree manager with the name KK_SW_PRGM, KK_DB_PRGM and RPT_SW_PRGM.



Statewide Program Trees

Tree Viewer

SetID	SHARE	Last Audit	Valid Tree
Effective Date	04/01/2020	Status	Active
Tree Name	KK_SW_PRGM		KK Program Tree

[Close](#) [Display Options](#) [Print Format](#)

[00000](#) > [37027](#) > [37030](#) > [Detail](#)

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Major Program

 37027 - Secure Treatment 

Budgetary Program

 37030 - Secure Treatment General

Transactional programs

-  [37422] - STP Services General
-  [37430] - STP Ongoing
-  [37431] - STP Ongoing ADJ
-  [37432] - STP Cent Mgd Gen
-  [37433] - STP Temp Emp Services
-  [37434] - STP Asset Maint
-  [37435] - STP PNA
-  [37436] - STP Health Svc Prog
-  [37437] - STP Utilities & Fuel
-  [37438] - STP Psych Rehab
-  [37439] - STP OHC
-  [37440] - STP Laundry



Budget Transactions and Movement of Appropriation Authority



Types of Budget Transactions

- Only OSC uses KK_SEG Regular Budget Journals to put up budgets
- Agencies use Regular Budget Journals for KK_PRJC or Agency KK only
- Journals dealing with appropriations always use the KK_SEG ledger and are either Budget Transfer or Interunit Transfer journals

- See GFO Chapter VI, Section 1 – Budget Control for additional information



Movement of Appropriation Authority

- There are 6 types:
 - **Interchange:** Budget Transfer Journal
 - **Departmental Suballocation:** Budget Transfer Journal
 - **Apportionment:** Budget Transfer Journal, InterUnit Budget Transfer Journal
 - **Transfer:** Budget Transfer Journal, InterUnit Budget Transfer Journal
 - **Consolidated Transfer:** Budget Transfer Journal, InterUnit Budget Transfer Journal
 - **Suballocation:** InterUnit Budget Transfer Journal
- It is important to understand the difference between these and the proper way to reappropriate the available funds if necessary.
- See GFO Chapter VI, Section 3.A – Overview for more information



Adjustment Voucher (Refund of Appropriation)



Adjustment Voucher

An AP Adjustment Voucher in SFS is used to apply a full or partial refund received from a vendor, recipient, or employee against the payment it was originally made from. An Adjustment Voucher used to record a return of a payment is also referred to as a “Refund of Appropriation” (ROA).



Adjustment Voucher

Effects of an Adjustment Voucher

- Increases the segregation balance allowing agencies to spend the funds again
- Increases cash in the fund after the voucher is approved by OSC
- Updates the withholdings for a vendor to report the correct 1099 amount, if applicable
- Updates contract balance allowing the funds to be spent again, if applicable



Adjustment Voucher

Reasons for Adjustment Vouchers

- Vendor check received for an overpayment or a duplicate payment, where a check will not be reissued
- Reducing or closing a cash advance account
- Refunds owed to the State by an employee due to Travel and Expense charges made in error
- WIC Rebates (due to Federal regulations requiring the treatment of these receipts)
- Fraudulently cashed checks
- Write-off vouchers for returned checks deposited on previous adjustment voucher.



Adjustment Voucher

Reissuing or Canceling a Vendor Check

- State check returns are handled via an automatic process which reverses the original expenditure and credits the original appropriation charged.
- BSAO does not approve these transactions.
- See GFO Chapter XII, Section 9.C – Reissuing or Canceling a Vendor Check.



Adjustment Voucher

Refunds Against Lapsed Appropriations

- Entered as an AP Adjustment Voucher with a lapsed revenue account code on the credit line(s)
- Updates contract and vendor withholdings, if applicable
- Increases cash in the fund, but has no effect on the segregation balance
- See GFO Chapter VII, Section 3 – AP Adjustment Voucher Overview



Adjustment Voucher

Vendor IDs to use on Refunds of Appropriation

- Refunds received from the original vendor paid should use the original vendor ID on the ROA.
- Refunds for cash advances should have a vendor that begins with 041.
- Supplier ID: ORSNGLPYMT - ROA Single Payment Refunds
- Supplier ID: ORMEDIREFD - ROA Medicaid HIT BHP Refunds
- Supplier ID: ORPCARDPUR - ROA Vendor Refund of PCard Purchases.
- Supplier ID: OREMPYREF - ROA Employee Refunds and Returns
- If none of the above situations apply – use Vendor ID ORAR000000



General Ledger Journal Entries vs. AP Journal Vouchers

- AP Journal Vouchers should be used whenever possible for corrections to Accounts Payable transactions on a posted voucher (however they cannot cross funds).
- GL Journal Entries
 - Are used to correct expenditures that did not originate in the AP module (ex. payroll).
 - Used whenever crossing funds
 - For bulkload agencies who are not able to enter AP Journal Vouchers.
 - When the Supplier on the original voucher is an interagency vendor (supplier ID starts with '042')



AP Journal Vouchers

- Must have a related (original) voucher
- Supplier ID should match related voucher
- Obligation date must match the related voucher
- Coding should match related voucher coding
- GL Business Unit is the same on all lines
- Must be same fund on debit and credit lines
- Account codes should all be expenditure in nature (exception for ROA corrections that had revenue account codes)



General Ledger Journals

- Proper Accounting Date and Obligation Date (GFO Chapter XIV, Section 2 – Obligation, Accounting and Budget Dates)
- Proper supporting documentation must be present
- Analysis Type of GLE for expenditure accounts and GLR for revenue accounts when using the Project field on a journal
- See GFO Chapter VIII, Section 1 – Accounts Payable Journal Vouchers & General Ledger Journal Entries Overview for more information



Budgets and Spending Section Contact

For questions related to the information just presented, email Appropriations@osc.ny.gov



