

BUDGET LETTER

SUBJECT: BUDGET CHANGE PROPOSAL TEMPLATE AND INSTRUCTIONS	NUMBER: 15-14
REFERENCES: BL 14-07, BL 14-08, BL 15-05, BL 15-06, AND 15-09	DATE ISSUED: August 4, 2015
	SUPERSEDES: 14-15

TO: Agency Secretaries
Department Directors
Departmental Budget and Accounting Officers
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

The Financial Information System for California (FI\$Cal) affects all departments as it relates to the annual budget process. This Budget Letter (BL) provides new/revised forms and instructions to departments for the preparation of regular Budget Change Proposals (BCPs). Separate instructions have been issued regarding general budget preparation guidelines (BL 15-05) and Capital Outlay BCP instructions will be issued in the near future.

I. Glossary Relevant to this BL

- BR = Budget Request. A component within the BCP to identify proposed change to dollars and positions.
BU = Business Unit. An organization code/entity.
Category = An account code in the Chart of Accounts.
DP = Decision Package. Equivalent to a BCP in this context.
ENY = Enactment Year. Formerly Year of Appropriation.
Request by Category = Authorized spending by account code.

II. BCP Package

An email note should be sent to your Finance budget analyst and principal program budget analyst providing the following information:

Wave 1 and 2 departments:

1. DF-46 Cover Sheet— A scanned signed copy.
2. Analysis and Justification—A Word document providing the full explanation of the request. (See BCP instructions for all required sections).
3. Fiscal Details—Enter or upload fiscal information directly into Hyperion using **Governor's Budget** scenario and **Department Working** version. Inform Finance once the DP is available for Finance to accept in the DOF/Department Exchange version. A BCP Fiscal Detail Report is available in Hyperion to extract the information for the BCP package that will be provided to the Legislature, if the BCP is approved.

All non-Wave 1 and 2 departments

1. DF-46 Cover Sheet— A scanned signed copy.
2. Analysis and Justification—A Word document providing the full explanation of the request.
3. BCP Upload template—Use the updated (August 2015) Excel template to provide fiscal details. Please see section below for further instructions. Once information is uploaded into Hyperion, a report extracting such information will be provided by your Finance budget analyst.

For **all departments**, a hard copy of the BCP cover sheet and BCP narrative must also be submitted in duplicate, except for BCPs requesting information technology, auditing, or accounting positions, which propose increased facility operations expenditures (leases), related capital outlay costs, or that impact other departments must be submitted in quadruplicate. Later in the fall cycle, more instructions will be given to all departments regarding submittal of original signed copies of approved BCPs.

III. Revised BCP Forms and Upload Template

All BCPs for 2016-17 **must** use the revised DF-46 forms dated August 2015. These forms include a Cover Sheet available in Word, BCP narrative template in Word, and Excel upload templates for non-Wave 1 and 2 departments to capture fiscal information. Departments must use the August 2015 version of the Excel upload template, which has been updated with the latest chart of account codes and includes several enhancements. Do not use older versions of templates. BCPs submitted on old templates will be returned to departments for revision by the Finance budget analyst. The older versions contain outdated chart of account codes that will not upload properly to Hyperion. Departments may obtain forms, including templates, on the Finance website at: <http://www.dof.ca.gov/budgeting/forms/view.php>

Cover Sheet DF-46

Must be submitted by all departments irrespective of FISCal Wave.

Please refer to the DF-46 instructions available on the Finance website at: <http://www.dof.ca.gov/budgeting/forms/view.php> for details on how to fill out the DF-46.

Departments must use a unique naming convention for each decision package and budget request as shown below. Complete information regarding the required naming convention is available on Finance's website: http://www.dof.ca.gov/FISCal_Resources/view.php

Budget Request Name: 5225-001-BCP-BR-2016-GB

- 4 digit: Business Unit/Organization Code.
- 3 digit: Sequencer (001-999) depending on request and point-in-time.
Use 1-299 for the Governor's Budget point-in-time.
- DP Type: BCP-BR (DP means decision package, BR means budget request in Hyperion)
- 4 digit: Year (first part of the budget year, even if the BCP includes a current year component), use "2016" for this budget year.
- 2 digit: Point-in-time when the request is originated.

GB: Governor's Budget BCP

A1: April 1 Finance Letter Requests

M1: May 1 Capital Outlay Finance Letter Requests

MR: May Revision Finance Letter Requests

BCP Narrative—Analysis of Problem

All departments must provide a hard copy of the narrative along with the Cover Sheet to their Finance budget analyst.

For more details on analysis of problem, please refer to the “Instructions” for the DF-46 available on the Finance website at <http://www.dof.ca.gov/budgeting/forms/view.php>

Fiscal Detail Sheets (Excel upload template) August 2015 version

Wave 1 and 2 departments will enter or upload fiscal information directly into Hyperion including request by category, position change request position summary, reimbursements, and revenues, etc. (if applicable). Departments with a high volume of unique entries may choose to populate the upload template and upload. FISCAL Project plans to provide training on this topic in September. Since training will be provided after the deadline to submit the BCPs this fall cycle, please contact the FISCAL Service Center at fiscalservicecenter@fiscal.ca.gov for assistance. The definitions below apply to both templates and direct entry into Hyperion.

Non-wave 1 and 2 departments will use the updated Excel template to provide fiscal details. It is available at <http://www.dof.ca.gov/budgeting/forms/view.php> under the DF-46 forms. Separate tabs will capture detailed information for every affected item, program, and category of expenditure consistent with the chart of accounts. The forms are color coded as follows:

- Blue color: Select from drop down menu
- Salmon color: Input, no drop down menu
- White color: Do not change. No input necessary

Please note: When updating BCP templates, **do not delete or insert new rows** in any tabs as this corrupts the Checklist tab. Users should select the row(s) they want to delete and clear or delete contents. In the event users exceed the preset fields, copy one of the blue color rows and paste the information into a new white row(s) below the blue preset rows. Finance requires a clean Checklist tab. If rows are deleted or inserted, the cross ties in the Checklist tab will not work and the department will be required to prepare a new template.

The following provides a summary of the required data for each of the tabs in the new template:

- a) **Checklist**—The checklist tab has a cross tie page to check various issues such as duplicate rows, invalid point of views, position and dollar tie points, and correct DP/BR naming conventions. Prior to submitting template to Finance, this tab must have “No Issues” highlighted in green.
- b) **Summary**—No action is needed by departments. This page is similar to the prior BCP fiscal summary pages. The summary tab links to all other tabs in the Excel workbook and provides a summary to Finance.
- c) **Budget Request Details**—Departments should only complete the following:
 1. Use unique naming conventions to provide DP and BR Name.
 2. DP/BR Description should be meaningful title used on BCP cover sheet. This should be a short and succinct title.
 3. Enter Entity (organization or BU code).
 4. Attribute Value: Policy or Workload (per Government Code 13308.05).

- d) **Program Budget Measures**—Provide five-year resource history of the program (unless it is a new program proposal).
- e) **Program Workload Measures**—Provide workload metrics associated with the program beginning with the past five years through the current year. Specify how requested resources are projected to affect the related workload for affected years (BY through BY4). These are the number of units of workload, e.g., inquiries responded, backlog reduced, applications processed, etc.
- f) **Position Change Request**—Specify the Job Code (class code and classification title), Start Date, End Date (if applicable), Proposed Position (# requested), Salaries and Wages for all the position(s) in the same classification. Enter total positions and dollars for affected years (CY, BY, BY1, BY2, BY3, BY4, if applicable).
- g) **Position Summary**—Specify reference, fund, enactment year (ENY), program, and related salaries and wages category of expenditure associated with each position. Enter total positions for affected years (current year and out years). Reference to the Position Change Request tab for total positions proposed. Positions (Full Time Equivalent) in CY through BY4 in the Position Summary tab must tie to total proposed positions in CY through BY4 in the Position Change Request tab.
- h) **Request By Category** (level of spending authority)—Specify reference, fund, ENY, program, and related category of expenditure for each unique combination of funding needed to support the BCP. See http://www.dof.ca.gov/FISCAL_Resources/view.php for categories of expenditure/account codes available in Hyperion. Departments must provide the same level of information as is required in the DF-300 Supplementary Schedule of Operating Expenses and Equipment. The BY through BY4 tabs must be updated to include the amounts projected for each of those years.
- i) **Reimbursements**—If the proposal requests a change in reimbursement spending authority, specify reference, fund, ENY, program, and source of reimbursements. Under the chart of accounts (http://www.dof.ca.gov/FISCAL_Resources/view.php), these are reflected under account code of 48XXXXXX representing the projected reimbursement collection. Total reimbursements must also be reflected in the request by category tab and associated with specific spending category code(s). The BY through BY4 tabs must be updated to include the reimbursements projected for each of those years.
- j) **Revenues**—If the BCP proposes new revenues (either an increase to an existing revenue source or proposed new revenues), specify the affected fund, program, and revenue code. The BY through BY4 tabs must be updated to include the revenues projected for each of those years. Revenues are coded with an account code of 4XXXXXX (except for 48XXXXXX codes which are for reimbursement receipts).
- k) **Revenue Transfers**—If the BCP proposes a new revenue transfer, specify the amount to be transferred and the fund providing and receiving the transfer in the affected fiscal year. See http://www.dof.ca.gov/FISCAL_Resources/documents/New_Codes_for_Revenue_Transfers_and_Loans.pdf. If both sides of the transaction do not fall within the same BU, the owner of another BU must carry the appropriate side of the transaction. Please make sure to coordinate.

(Revenue) Loans—If the BCP proposes a new loan, specify the amount to be loaned and the fund providing and receiving the loan in the affected fiscal year. See http://www.dof.ca.gov/FISCAL_Resources/documents/New_Codes_for_Revenue_Transfers_and_Loans.pdf. If both sides of the transaction do not fall within the same BU, the owner of another BU must carry the appropriate side of the transaction.

(Revenue) Loan Repayments—If the BCP proposes repayment of a prior loan, specify the amount to be repaid and the fund providing and receiving the loan repayment in the affected fiscal year. See http://www.dof.ca.gov/FISCAL_Resources/documents/New_Codes_for_Revenue_Transfers_and_Loans.pdf. If both sides of the transaction do not fall within the same BU, the owner of another BU must carry the appropriate side of the transaction.

- l) **Summary**—No action is needed by departments. The Summary tab links to all other tabs in the Excel workbook and provides a summary to Finance.

IV. Enactment Year (ENY) (aka Year of Appropriation)

For new one-year appropriations, use:

- 2015 for current year
- 2016 for budget year
- 2016 for years beyond budget year

For multi-year or continuously appropriated spending request, consult with your Finance budget analyst.

V. Special Instructions Related to Reimbursements

A BCP consists of one Decision Package (DP) in Hyperion. Within each DP, there can be one or more Budget Requests (BR).

If the BCP has multiple fund sources including reimbursements, the reimbursement portion must have its own BR. The reimbursement dollars and the associated program/category spending must be self-contained within the same BR without other components. This provides clear documentation as to the program/category spending authority to be funded with the reimbursement. If the BCP is to be funded entirely with reimbursements, only one BR is needed.

VI. Additional Resources Related to FISCAL

Last fall, Finance created a new website “FISCAL Resources” to provide one location for all relevant FISCAL resources. This page is updated and expanded frequently. Please utilize the information on this page as reference materials: http://www.dof.ca.gov/FISCAL_Resources/view.php

Also refer to FISCAL Job Aids available at <http://www.fiscal.ca.gov/access-fiscal/budgetsjobaids.html>

VII. Timeframe

BCPs, including requests for Budget Bill Language changes, must be submitted (in Hyperion or emailed) to Finance on the revised forms, no later than Tuesday, **September 2, 2015**. **Exception:** BCPs for chaptered legislation, if mission critical and late requests approved by Finance in advance consistent with the guidelines in BL 15-05.

VIII. Rounding of Numbers

As a budgeting and planning tool, departments should show the last three digits in a dollar amount as three zeros. Showing the last three digits as zeros will significantly reduce rounding issues in budget galley and most other reports. This applies to revenues, transfers, loans, loan repayments, and expenditures.

IX. Invalid Items

Please inform your Finance Budget Analyst if you have any new items to ensure those items are set up correctly in Hyperion. Otherwise, those items will show as invalid and may not be included in the Governor's Budget and certain reports.

If you have any questions regarding this BL, please call your Finance budget analyst.

/s/ Veronica Chung-Ng
Program Budget Manager