

BUDGET LETTER

SUBJECT: PAST YEAR SCHEDULE 10RS (SUPPLEMENTARY SCHEDULES OF REVENUES AND TRANSFERS)	NUMBER: BL 13-13
REFERENCES: BL 13-10	DATE ISSUED: July 29, 2013
	SUPERSEDES: BL 12-18

TO: Departmental Budget and Accounting Officers
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

Schedule 10Rs will be provided to departments to report General Fund and special funds revenue and transfer data for the preparation of the Governor's Budget and other special budget processes.

The first pass of Schedule 10Rs is to collect past year revenue information. Departmental Budget Officers will receive a hard copy of the Schedule 10Rs via your Department of Finance (Finance) budget analyst in early August.

Deadlines and Deliverables

September 4, 2013	Departments submit updated past year Schedule 10Rs to Finance with final past year information.
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After reconciliation with year-end accounting information, departments must review, update, and submit Schedule 10Rs with final past year information to their Finance budget analyst by September 4, 2013. Upon receipt from departments, Finance analysts will review the Schedule 10Rs, confirm consistency with backup accounting information, and forward the Schedule 10Rs to Financial Operations on a flow basis. Data for the past and current years is pre-posted on the Schedule 10Rs based on the latest information in the Finance Revenue System. Do not change current year information or provide budget year information for this pass. Finance is gathering only past year information for this pass. Schedule 10Rs for current and budget year information will be collected at a later date.

Use the following reminders in completing the Schedule 10Rs:

A. Rounding

All revenue and transfer amounts must be rounded to the thousands.

B. Data for the Past Year (2012-13)

1. All past year Schedule 10R data should reconcile to the year-end financial statements reported to the State Controller's Office (SCO). Revenue data, excluding transfers and loans, should be reconciled with the Statement of Revenue (Year-end Report 4). Transfer and loans should be reconciled with the Final Budget Report (Year-end Report 6) or the Reconciliation of Agency Accounts with Transactions per State Controller Report (Year-end Report 15). **Finance's approval is required for any difference between revenue data on the Schedule 10R and revenue data reported to the SCO; departments must attach an explanation for any differences.**
2. Past year Schedule 10R data must contain accurate revenue information that will tie to any related Detailed Fund Balance Report (DF-303, a new report required for this fall cycle for funds with a

fund condition statement) prepared by the department. High level instructions have been provided to fiscal managers for each department that attended the new training class in June. See BL 13-10 for further instructions for preparation of the DF-303.

3. Past year Schedule 10Rs should be final when they are submitted to the Finance budget analysts by September 4. No changes will be accepted after the original submittal unless approved by Finance. Only significant changes will be considered after the original due date. Please provide an explanation of the necessity for the change, including a statement that the change is consistent with year-end data submitted to the SCO.

C. Nongovernmental Cost Funds

Finance does not require Schedule 10Rs for nongovernmental cost funds, including federal and bond funds. However, any revenues, transfers, or loans for these funds should be manually added to the Fund Condition Statement if one is required to be printed in the Governor's Budget for the fund.

D. Loans and Loan Repayments Between Funds

1. All loans and loan repayments to/from the General Fund and to/from special funds will be treated as revenue transactions and shown on the Schedule 10R.
2. The authority (e.g., Budget Act Item, provisional language, legislation, etc.) for loans and loan repayments must be cited on the Schedule 10R for both the fund providing the loan and the fund receiving the loan.
3. The Schedule 10R authority cited must begin with the word "loan" to indicate that the amount is a loan rather than a transfer. For loan repayments, the Schedule 10R authority cited must begin with the words "loan repayment."
4. Report interest revenue attributable to these loans in the revenue section of the Schedule 10R; this revenue is classified in the Uniform Codes Manual (UCM) as Interest Income from Interfund Loans, Revenue Code 1505.
5. Do not report interest expense on loans on the Schedule 10R; this cost is an expenditure classified in the UCM as Interest, Object Code 441602 (which must be included in planning estimates and Schedule 10s).
6. Finance analysts must coordinate with other appropriate analysts if loans affect funds in other budgets.

If you have any questions regarding Schedule 10Rs, please call your Finance budget analyst.

/s/ Veronica Chung-Ng

Veronica Chung-Ng
Program Budget Manager