

BUDGET LETTER

SUBJECT: EXECUTIVE ORDERS, BUDGET REVISIONS, AND BUDGET ADMINISTRATION ADJUSTMENTS	NUMBER: 15-21
REFERENCES: BUDGET LETTERS 15-05, 15-06, 15-10, AND 15-15	DATE ISSUED: August 31, 2015
	SUPERSEDES: 14-27

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

FROM: DEPARTMENT OF FINANCE

This Budget Letter (BL) provides instructions for Executive Orders, Budget Revisions, and Budget Administration Adjustments (BAA). As departments transition to FISCAL, all BAAs will be required to be entered into Hyperion and transmitted to PeopleSoft, replacing the current process for handling Executive Orders and Budget Revisions.

Executive Orders are generally used to make a transfer between funds, make increases or decreases to appropriations on a statewide basis, or make adjustments that involve two or more appropriations. Budget Revisions are used to make current year adjustments to a single item of appropriation.

For 2015-16, Wave 1 and 2 departments will use the BAA process. Other departments will be phased in when they begin using Hyperion.

I. Glossary Relevant to this BL

- BAA = Budget Administration Adjustment in Hyperion (aka Budget Revisions and Executive Orders).
DP = Decision Package. Equivalent to an issue.
BR = Budget Request (not to be confused with a Budget Revision). A component within the DP used to identify changes to dollars.
ENY = Enactment Year.

II. Method of Submittal

In addition to providing the necessary justification and backup information (including applications such as a DF-90 for Section 28.00 and a DF-91 for Section 28.50) to the Department of Finance (Finance), departments will be required to do the following:

Wave 1 and 2 departments—BAAs are to be entered into Hyperion through the creation of a Decision Package (DP) and Budget Request (BR). Enter the necessary information into Hyperion, either by manually keying the data into the system or by using a BAA template found at http://www.dof.ca.gov/budgeting/forms/documents/BAA_Upload_Template_Blank.xlsm in the **Budget Administration** scenario and **Department Working** version. Copy the DP/BR to the DOF/Department Exchange version. Inform your Finance budget analyst once the DP/BR is available for Finance to accept in the DOF/Department Exchange version.

Once approved by Finance, this DP/BR will be electronically submitted to the State Controller's Office (SCO) from Hyperion to PeopleSoft by Finance. The processing of a BAA is necessary for commitment control (accounting) in PeopleSoft.

Given that the SCO is still using its legacy system for control functions in 2015-16, a Form STD-26 for budget revisions is still required for processing adjustments. Please reference the BAA Budget Request name on the Form STD-26 (<http://www.dof.ca.gov/budgeting/forms/documents/Std26.pdf>) when it is submitted to your Finance budget analyst.

Post Wave 2 departments—These departments will continue submitting a Form STD-26 for Budget Revisions, and working with their Finance budget analyst for any Executive Orders. Post Wave 2 departments will not prepare any BAAs for 2015-16.

BAA Template

Wave 1 and 2 departments can use an Excel template to upload fiscal details, if necessary. Separate tabs will capture detailed information for every affected item, program, and category of expenditure consistent with the latest chart of accounts. The forms are color coded:

- Blue color: Select from drop down menu.
- Salmon color: Input, no drop down menu.
- White color: Generally, no changes are required. However, on the Budget Request Details tab, enter the appropriate Year (normally 2015-16) and Version (Department Working).

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

- Budget Request Details (first tab)**—Departments should complete the following:
 1. Use unique naming conventions to provide DP and BR Names (see more information below in Section III).
 2. DP/BR Description must have a meaningful title.
 3. Enter Entity (the four digit business unit [BU]).
 4. Enter the Year and Version.
- Expenditures by Category (second tab)**—Enter expenditure information.
- Reimbursements (third tab)**—If the adjustment changes reimbursement spending authority, specify the fund information (Ref, Fund, ENY), Program, and source of reimbursements (account code of 48XXXXX). Changes in reimbursement authority must also have a corresponding change in expenditure authority and will be reflected in the Expenditures by Category tab. Please see Section IV for more detail on Reimbursements.
- Generally, for BAAs, the ENY should be 2015 only, as they affect only the current fiscal year. The adjustment does not affect budget year or out years.

III. Unique Naming Convention

The department is required to create a DP and one or more BRs for each BAA. A DP may contain one or more BRs. Each DP and BR must have a BU number, a unique sequencer (001 to 999), DP type (e.g., BAA), and fiscal year. The current year should be used for a BAA (e.g., "2015" for adjustments in fiscal year 2015-16). Unlike other FI\$Cal adjustments, BAAs do not need a Budget Cycle point in time identified in its DP and BR description.

Example of one DP to one BR during FY 2015-16

Decision Package	2222-001-BAA-DP-2015
Budget Request	2222-001-BAA-BR-2015

Example of one DP to multiple BRs during FY 2015-16

Decision Package	2222-001-BAA-DP-2015
Budget Request	2222-001-BAA-BR-2015
	2222-002-BAA-BR-2015
	2222-003-BAA-BR-2015

The template is designed to capture one DP with only one BR. Therefore, if a department has a DP with more than one BR, a separate template must be used to provide the data for each BR. In addition, if a DP has multiple BRs, the next BAA DP will need to start with a new number. In the example above, the next DP would be assigned 002 in the sequencer and the BR would be assigned 004.

IV. Special Instructions Related to Reimbursements

If the adjustment has multiple fund sources including reimbursements, the reimbursement portion must have its own BR and a separate template (if the department uses a BAA template instead of manually keying the data into the system). Reimbursements and the associated expenditure in the program and category must be self-contained within the same BR without other components. This provides clear documentation as to the program/category spending to be funded with reimbursements. If the adjustment is entirely funded with reimbursements, only one BR is needed.

V. Adjusting Budget Totals

A Budget Administration Adjustment/Budget Revision/Executive Order does not adjust budget totals. It simply is a method/document to direct the SCO to make the adjustments in its system for accounting purposes. A separate budget spending adjustment (Baseline Budget Adjustment) may be needed to reflect an adjustment to a budget total. The need for a budget spending authority adjustment depends on whether the spending authority has already been built into a department's budget total when the BAA, Budget Revision, or Executive Order is processed to the SCO.

If you have any questions, please contact your Finance budget analyst.

/s/ Bill Steffenhagen for

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