

**Non-Governmental Cost Fund
Past Year Expenditure – Reconciliation
DF-304 Instructions (06/23)**

OVERVIEW

The Non-Governmental Cost Fund (NGCF) Past Year Expenditure Reconciliation (Form DF-304) will be used by state departments to reconcile accounting data to budget data. A DF-304 must be submitted to Department of Finance (Finance) for all NGCFs that will not have a Fund Condition Statement (FCS) in the 2024-25 Governor's Budget. NGCFs with a FCS are required to submit a DF-303. See Finance's website for additional information.

The reconciliation of accounting data to budget data is required under Government Code (GC) sections 12460 and 13344. GC 12460 requires information in the State Controller's Budgetary/Legal Basis Annual Report to account for funds on the same basis as that of the applicable Governor's Budget. GC 13344 requires departments to prepare and maintain financial and accounting data for the Governor's Budget and related documents, and the Budgetary/Legal Basis Annual Report described in GC 12460, according to the methods and bases provided in regulations, budget letters, and other directives of Finance. By law, year-end financial reports must be prepared consistent with the applicable budget. Information provided to Finance for the Governor's Budget must be consistent with information provided to the State Controller's Office (SCO) for the Budgetary/Legal Basis Annual Report.

As specified in the State Administrative Manual section 6400, it is important that fund balance, revenues, expenditures, and other data included in the past year's presentation of the Governor's Budget reconciles with similar data published in the SCO's Budgetary/Legal Basis Annual Report. Therefore, departments must ensure that data included in Governor's Budget reconciles with year-end financial reports. In very limited circumstances, there may be differences between the amounts in the Governor's Budget and the year-end financial reports (e.g., pending budget decisions or legislation).

The DF-304 report will assist departmental accounting and budget staff to reconcile year-end financial reports to past year expenditures in Governor's Budget in accordance with GCs and state policy.

DF-304 INSTRUCTIONS

1. Complete the header information with the department name and number, and the fund name and number. Prepare a separate reconciliation for each fund.
2. **Section A:** Enter past year total expenditures for each appropriation item number(s). The expenditures should match what is reported on the past year reports from Hyperion. In the first column, assign a number to each item that will cross-reference the different formats for appropriation items in Section A and B.
3. **Section B:** Enter appropriation item and budgetary expenditure amount from year-end Report No. 6 (Final Budget Report) for each item reflecting past year expenditures. Include the appropriate cross-reference number. **NOTE:** Item(s) from prior years which are not included in the past year expenditures will not be included in this section.

Indicate whether expenditures reported on your Final budget Report are on a cash, modified accrual, or full accrual basis.

4. **Section C:** Provide an explanation for each variance of appropriation item(s) expenditures between Section A and B.
5. Provide preparer contact information.
6. Submit DF-304 along with (1) a report from Hyperion that identifies past year expenditures, (2) Final Budget Report, or other supporting year-end financial report, and (3) a signed DF-117, Certification of Past and Prior Year Information to your Finance Budget Analyst.