

CHAPTER 2: SECTION 1

FY13-14 COFRS TABLE INITIALIZATION

KEY DATES

April 1	New year tables available; agencies can begin changing agency-defined tables and request changes to centrally defined tables (including budget tables).
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On April 1, new year tables will be available from COFRS' run of the new year table initialization (NYTI) process to initialize tables for FY13-14. The NYTI program identifies all reference tables with either "Fiscal Year" or "Budget Fiscal Year" as the first key field, and then automatically creates a new year table with the same information as the prior year. A list of the tables initialized by this process is included in Chapter 2, Section 1.3.

Agencies should review their FY12-13 account code structure (both the required codes and the optional codes) to determine if the structure will meet their needs for FY13-14. Agencies may begin to modify agency-defined tables or request modifications to centrally defined tables for FY13-14 on April 1.

1.1 Changes to Centrally Defined Tables

To request changes to any centrally defined table other than budgetary tables, contact your assigned field controller. See Section 2 of this chapter for a discussion of the budgetary tables: LBAR, LBGR, FSCT, LBLR, APP2, and APPV. As a reminder, these centrally defined tables are for statewide use, and the OSC may not be able to meet all individual agency needs on these tables.

1.2 Recurring Entries

The recurring adjusting journal voucher table (REJA), recurring journal voucher table (REJV) and recurring payment voucher table (REPV) may require reestablishment for the new fiscal year. These tables are not rolled forward through the NYTI process.

Any record on the REJA, REJV, and REPV tables with a date of June 30 of the closing year or earlier in the ENTRY END DATE field will not generate transactions in the new fiscal year. If the table record has a date later than June 30 of the closing year in the ENTRY END DATE field, transactions will continue to generate until that end date is reached.

Agencies should review their records on these tables by the close of business on June 30 (date when the first recurring transactions for the new fiscal year will be generated). The end date may need to be extended, and the following two other types of changes to the tables may be required. First, the accounting distribution codes for existing records may require modification to conform to the FY13-14 account code structure. Second, in some cases the transaction ID of a referenced purchase order document may need to be changed.

To add or change a record for the new year, enter "14" in the FY (fiscal year) field. This allows the new record to edit against FY13-14 reference tables. This field automatically defaults back to the current fiscal year (13) after the add or change action is completed.

Although recurring entry records for the new fiscal year may be added at any time prior to July 1, records should not be changed until at least June 1 to allow the June recurring transactions to be generated; June transactions (last ones for the old fiscal year) will generate on May 31.

1.3 List of COFRS Tables Initialized for FY13-14

The following tables have been initialized for FY13-14.

TABLE	TABLE NAME
ADBT	Agency Direct Billing Table
AGCL	Agency Class Table
AGCT	Agency Category Table
AGCY	Agency Table
APP2	Appropriation Code Reference Table
APRD	Accounting Period Table
BACC	Balance Sheet Account Table
BANK	Bank Account Table
BCAT	Balance Sheet Category Table
BCLS	Balance Sheet Class Table
BDCT	Budget Category Table
BGRP	Balance Sheet Group Table
CAGT	Claiming Agency Vendor Offset
CERT	Cost Element Reference Table
CHRG	Charge Class Table
CLDT	Calendar Date Table
EPET	Employee Payment Exception Table
ESOP	Extended Purchasing System Control Options Table
FACE	Fixed Asset Cost Element
FAGY	Fund/Agency Table
FCAT	Fund Category Table
FCCA	Function Category Table
FCCL	Function Class Table
FCGR	Function Group Table
FCLS	Fund Class Table
FCTP	Function Type Table
FDGP	Fund Group Table
FSCT	Funding Source Code Table
FSYR	Fiscal Year Table
FUNC	Function Table
FUND	Fund Table
GBLC	Grant Budget Line Code Table
GGBL	Revenue Accrual To-GBL Validation Table
GVAL	Grant Validation Table
LBAR	Long Bill Group Accumulation Reference Table
LBGR	Long Bill Group Reference Table
LBLR	Long Bill Line Item Reference Table
LHAC	LDC Holding Account Table
OBJT	Object Table
OCAT	Object Category Table
OCLS	Object Class Table

TABLE	TABLE NAME
OGRP	Object Group Table
OHDT	Overhead Distribution Table
OHRT	Overhead Rate Table
ORGN	Organization Table
OTYP	Object Type Table
PCAT	Program Category Table
PCLS	Program Class Table
PGMT	Program Table
PGRP	Program Group Table
PSCH	LDC Position Schedule Table
PTYP	Program Type Table
RCAT	Revenue Category Table
RCLS	Revenue Class Table
REVA	Revenue Accrual Table
RGRP	Revenue Group Table
RPCL	Reporting Category Class Table
RPTC	Reporting Category Table
RPTE	Report Exception Table
RSRC	Revenue Source Code Table
RTYP	Revenue Type Table
SEC1	Agency Security Table
SOBJ	Sub-object Table
SOCL	Sub-object Class Table
SOCT	Sub-object Category Table
SOPT	System Control Options Table
SORG	Sub-organization Table
SPEC	System Special Accounts Table
SRCL	Sub-revenue Class Table
SRCT	Sub-revenue Category Table
SREV	Sub-revenue Source Table
VOIE	Vendor Offset Intercept Exceptions
VOPT	Vendor Offset Parameter Table



CHAPTER 2: SECTION 2

FY13-14 BUDGET

KEY DATES

April 15	Begin nightly run of book process.
June 5	Target date for communicating new revenue receiving account coding to Department of Revenue.
June 14	Deadline for agencies' level 3 approval on AP documents needed to record the FY13-14 Long Bill, including all informational appropriations contained therein.
June 28	Deadline for having FY13-14 Long Bill recorded, approved, and reconciled. Deadline for recording expense budgets.
August 10	Target date for booking of OSC approved rollforwards.
August 16	Completion date for booking all continuing capital construction appropriations and special bills.

This section deals primarily with budgetary issues for opening the new fiscal year. Included in this section are discussions of the budget hierarchy, spending authority indicators, Long Bill booking, expense budgets, special bill booking, and the carryforward of custodial funds.

2.1 COFRS Budgetary Hierarchy Edits

COFRS has system edits that control a hierarchy for budgetary codes. This hierarchy ensures the accurate roll up of information for statewide, departmental, and agency level budget reports. To ensure the integrity of the roll-ups, the OSC establishes and maintains all coding on the following budgetary tables:

- ♦ LBAR - Long Bill Accumulation Table
- ♦ LBGR - Long Bill Group Reference Table
- ♦ FSCT - Funding Source Code Table
- ♦ LBLR - Long Bill Line Item Table

The APP2 table is a hybrid table because the agency does the initial entry on the table, but any subsequent changes and approvals (approvals through the APPV table) are done by the OSC, except during the Long Bill booking process as described in Section 2.4.1. Agencies wishing to change any FY12-13 APP2 table entry, must contact their FAST field controller to make the change. For FY13-14, updates may be done by the agency any time after April 1, but prior to June 28.

The budgetary hierarchy establishes a link between all appropriation coding that follows a basic "one-to-one" or "one-to-many" logic from top to bottom that is a reflection of the Long Bill. This logic is described below. In the following descriptions, alphanumeric means the first character of any code must be alpha (the convention is the first letter of the agency code) and the subsequent characters may be alpha or numeric.

Long Bill Group Accumulator - There may be one or many accumulators to a single department. Accumulators are established by the OSC and are alpha for appropriated and alphanumeric for nonappropriated.

Long Bill Group - There may be one or many Long Bill (LB) groups to a single LB group accumulator. Groups are established by the OSC and are alpha for appropriated and alphanumeric for nonappropriated.

Funding Source Code - There may be one or many funding source codes to a single LB group. Funding source codes are established by the OSC and are alpha for appropriated and numeric for nonappropriated.

Long Bill Line Item - There may be one or many LB line items to a single funding source code. LB line items are established by the OSC and are numeric for appropriated and alphanumeric for nonappropriated.

Appropriation Code - There may be one or many appropriation codes to a single LB line item. Appropriation codes are determined by agencies and may be alpha, numeric, or alphanumeric.

The new year table initialization (NYTI) process identifies all FY12-13 LBAR, LBGR, FSCT, LBLR, and APP2 tables with an active status and populates those tables for FY13-14 based on the FY12-13 structure. If any of the LBAR, LBGR, FSCT, or LBLR table values are inactive within a particular hierarchy structure, the APP2s in that structure will also be inactive; none of the inactive table values are captured by the NYTI process.

The OSC uses the first introduced copy of the Long Bill to ensure that all centrally defined codes are in the system either as a rollforward from the prior year by NYTI or as a new entry. This is completed as soon as possible after the OSC receives the first introduced copy (depending on the date of the preliminary Long Bill). The OSC distributes a coded copy of the preliminary and final Long Bill to each department. Agencies may begin adding, changing, or deleting APP2 records beginning April 1.

All APP2 tables rolled from the prior year populate in FY13-14 as nonapproved. Please work closely with your FAST field controller to ensure your FY13-14 APP2 tables are correct and approved to ensure a smooth Long Bill booking process. See Section 2.4.1 of this chapter for more detail on this process for FY13-14. As a reminder, if you keep track of FTE counts (FTE as defined by Senate Bill 12-112) on your APP2 records, any changes necessary should also be completed at this time.

2.2 Appropriation Type Codes

On the APP2 table, agencies should use only the "01" appropriation type code. According to the COFRS User Manual (Section 2, Chapter 2, Page 2.11), there are four options for this field. However, only Type "01" is currently operational. There is no system capability for automatically recording continuing appropriations. Therefore, a valid appropriation code must be established and approved in each fiscal year for all appropriations. See discussion of the NYTI process in Section 1 of this chapter.

2.3 Spending Authority Indicators

All COFRS appropriations (AP documents) require a spending authority indicator (SAI) code. This code is intended to identify the source of the spending authority and not the type of funding for the appropriation. For example, SAI = 01 is to be used for all spending authority recorded using the annual Long Bill as the source for determining the amount and funding type (i.e. general, general exempt, cash, reappropriated, or federal).

The SAI is essential to the production of statewide budget-to-actual statements and the OSC's monthly budget reconciliation. These codes are listed on the COFRS SPND table. Additional information regarding the SAI codes is located in Appendix 3.

Also included in Appendix 3 is a description of the documentation requirements for AP

documents. The requirements are listed by SAI. The list is not all-inclusive, nor does each documentation item need to be attached every time you use a particular code on an AP document.

Please review both the SAI definitions and documentation requirements carefully. If you have any questions about their use, call your FAST field controller.

2.4 Long Bill Recording – Overview of Book Process

For FY13-14 the same semiautomated process will be used for recording the Long Bill into COFRS that was used in FY12-13.

The process uses approved APP2 records for the new year and current year AFSI, AFSG, AFSC, and AFSF (AFSx) tables to create shell AP documents that post to the suspense file (SUSF). Agencies may then modify the documents as necessary and apply their 3rd level approval. Once this step is complete on COFRS, the system automatically applies a 4th level approval in that day's nightly cycle. This 4th level approval generates a report that the FAST uses to review the documents. The FAST field controller then applies 5th level approval if the documents are correct. The following sections provide a more detailed discussion of these steps.

2.4.1 Long Bill Recording - FY13-14 APP2 Tables

The first step in the process is for agencies to review the FY13-14 APP2 records created by the NYTI and create new FY13-14 APP2 records where needed. After the NYTI process runs over the weekend prior to April 1, use the APP2 Table Listings section of the FDW to review all FY13-14 APP2 records on the system. Specifically, the report lists the agency, funding source code, line item number, fund, appropriation code, and appropriation code name. Agencies need to use the preliminary copy of the Long Bill to accurately enter, correct, delete, and approve FY13-14 APP2 records. Changes to and approval of APP2 records is intended for initial budget booking purposes only and is available from April 1 to June 28. Changes to FY12-13 APP2 records will be made by your FAST field controller.

COFRS identifies all approved FY13-14 APP2 records for each agency/fund/funding source code combination in the nightly cycle of the day the APP2 records are approved. The system then creates a shell AP document for each combination and posts that document to the SUSF. In addition, because of this process, the system produces the BDA16R report that identifies all approved appropriation codes and their corresponding shell AP documents. The transactions are on the report only on the day following the generation of the shell document(s). Once an APP2 record generates a shell document, a flag on the APP2 table will be automatically set so that the APP2 will not generate another shell document in that fiscal year. If you have a shell document created that you do not want to use, please remember to delete the document.

2.4.2 Long Bill Recording - Shell AP Document

The shell document generating program uses approved FY13-14 APP2 records and the FY12-13 AFSI, AFSG, AFSC, and AFSF (AFSx) tables as its sources to create base coding in the FY13-14 shell document. This shell document contains the following codes (actual AP document field titles are shown in UPPERCASE).

- ♦ BUDGET FY - Budget Fiscal Year 14
- ♦ FUND - Fund per APP2
- ♦ AGENCY - Agency per APP2
- ♦ FUNDING SOURCE CODE - Funding source code per APP2

- ♦ GEN EXEMPT DETAIL OPT, CASH DETAIL OPT, RE-APPROP DETAIL OPT, and/or FEDERAL DETAIL OPT - Detail options per FY12-13 AFSx tables will default to “N” unless the same agency/fund/funding source code combination was annotated in the previous year. If this is the case, then the detail options will be the same as the FY12-13 options.
- ♦ B/A OPTION (on the AP document header) - Budget authority options per FY12-13 AFSx tables: if the detail option = “N”, then the B/A option will default to “E”; if the detail option = “Y”, then the B/A option will default to blank. This option is by appropriation type (GXCWF).
- ♦ APPR CODE - All appropriation codes within an agency, fund, funding source code combination per APP2.
- ♦ REVENUE SOURCE - All revenue source codes for the combination per FY12-13 AFSx tables; if the combination was annotated in FY12-13, the field will carry the same codes as the previous year into the new year. If the combination was not annotated in FY12-13, the field will default to blank.
- ♦ GXCWF - General, general exempt, cash, reappropriated, and federal fund-type indicators based on revenue source codes (RSRC). This field will be blank if no RSRCs.
- ♦ B/A OPTION (on the AP line screens) - Budget authority options per FY12-13 AFSx tables: if the revenue source code is populated, then the B/A option will default to “E”; if the revenue source is blank, the field will not populate.

The SAI code will not be included on the AP shell document. For AP documents recording the Long Bill, SAI “01” should be used. Please refer to Appendix 3 for a full discussion of SAI codes.

COFRS adds a “14” prefix for all agencies in the automatic document numbering table (ADNT) when the FY12-13 tables are rolled into FY13-14 by the NYTI process. If there is a “14” entry in the ADNT table for the agency, the shell process numbers the AP document as follows:

AP ACY FY000000001 to AP ACY FY999999999

- ♦ ACY = Agency per applicable APP2 record
- ♦ FY = New budget fiscal year - 14
- ♦ 000000001 = Next sequential number from the ADNT table

If an ADNT entry of “14” does not exist, the shell process numbers the AP documents as follows:

AP ACY FYDDD000001 to AP ACY FYDDD999999

- ♦ ACY = Agency per applicable APP2 record
- ♦ FY = New budget fiscal year - 14
- ♦ DDD = Julian date that shell was created on (1-365)
- ♦ 000001 = Sequential number 1 to 99999 by Julian date

For example, under the second method, if the Department of Personnel creates two documents on May 31 (Julian date 151), they are numbered as follows:

AP AAA 1415100001
 AP AAA 1415100002

2.4.3 Long Bill Recording - Completing and Approving the Shell AP Documents

Shell documents, like any other AP document, may be added to, changed, or deleted, and they carry all system edits. Agencies should add all revenue source codes they anticipate needing for the fiscal year (activate the code with \$0 AP). Once an agency has the AP document completed and ready for approval, they should apply a 3rd level approval to the document. The system automatically applies a 4th level approval to the document in the nightly cycle of the day the 3rd level approval is applied. If an agency needs to correct a document after the 4th level approval has been applied, they must contact their FAST field controller. Only FAST field controllers can remove the 4th level approval. In addition to the 4th level approval, the system produces a BDA17R report that is an individual screen print of each AP document with 4th level approval awaiting OSC action. This report will serve as documentation for the OSC's files. No other copies of the AP documents need to be submitted by the agency to the OSC. Agencies need to have 3rd level approval on all AP documents used to record the FY13-14 Long Bill, including all informational appropriations contained therein, by June 14.

The BDA17R alerts the FAST field controllers that documents are awaiting 5th level review and approval. If the document is correct, the field controller applies 5th level approval and schedules the document for processing. If the document is not correct, the field controller removes the 3rd and 4th level approval and contacts the agency for necessary corrections. The BDA18R report shows all accepted AP documents. This report is used by the OSC for initial Long Bill booking reconciliation purposes.

2.4.4 Long Bill Recording - Policy Matters and Other Issues

The automated Long Bill recording process begins running on April 15. The process is not only available for recording the Long Bill, but also may be used for recording nonappropriated spending authority, special bills, capital construction carryforwards, zero-dollar transactions to activate appropriation codes and revenue source codes, and any other appropriation action. The process will be turned off when the Long Bill is fully recorded and initially reconciled by the FAST.

Work with your FAST field controller to determine how federal amounts in the Long Bill will be recorded. Federal amounts may be restricted (e.g., 100%, 50%, 25%, etc.) or they may be recorded with an end date on the APP2 other than June 30 (e.g., December 31).

If you are using this process to record appropriation actions other than the Long Bill, the documentation requirements identified in Appendix 3 in the SAI information apply. For example, if you are recording a new federal grant, the FAST field controller will need a copy of the grant and the Illustration G.

The FY13-14 Long Bill, including all informational appropriations contained therein, must be recorded by the agencies and approved and reconciled by the FAST by June 28. In order to accomplish this task, agencies must have all AP documents used to record the Long Bill completed and 3rd level approval applied by June 14. That will give the FAST time to apply the 5th level approval, obtain the final BDA18R reports, reconcile the reports to the Long Bill, contact the agencies with any errors or problems, and obtain and approve necessary correcting AP documents.

2.5 Federal Funds Appropriated as Reappropriated in Legislative Appropriations

Agencies may receive a reappropriated legislative appropriation that is actually a 100 percent federal grant or contract from another state agency. If this is the case, the agency should record and restrict the reappropriated appropriation. When the recipient agency receives the award or contract from the other agency, the recipient agency should record the actual amount of the award as federal funds. If there is a need to have funds available at the beginning of the year, the agency

may record an estimated amount of federal spending authority (e.g., 50% of the expected award). This must be done on a separate document from the original reappropriated appropriation. A spending authority indicator of “04” must be used on the document to record the estimate. In addition, the AP document must include all required documentation as identified in the SAI information in Appendix 3. This section applies only if funds are 100 percent federal; it does not apply if the funds received from the other agency are a mix of federal and any other fund source.

2.6 Automated Expense Budget Process

The automated expense budget process creates “shell” EB documents for the new fiscal year and loads them into the document suspense file (SUSF). This process is similar to the automated Long Bill booking process discussed in Section 2.4 of this chapter. The shell EB documents are created concurrently with or subsequent to the creation of the corresponding shell AP documents created by the Long Bill booking process (see additional discussion later in this section regarding shell EB documents created subsequent to the creation of shell AP documents).

Information in the shell EB documents is copied from the prior fiscal year expense budget tables, but will not contain dollar amounts. Agencies must complete the EB documents by adding dollar amounts, ensuring the accuracy of the account coding, and processing the transactions through to acceptance.

When the shell EB documents are created, the AUTO AP/EB GENERATED field on the APP2 table will be changed to “B”. A new report titled Expense Budget Transactions Generation (BDA31R) that lists all shell EB documents is then created at the same time for viewing on Document Direct.

The automated EB documents run during each nightly cycle during the Long Bill booking period. The anticipated dates for this are April 15 through June 28. The automated EB document process reads the APP2 table and looks for records that meet the following criteria (actual EB document field names shown in UPPERCASE):

- ♦ The BUDGET FY field is “14”
- ♦ The STATUS field is “A”
- ♦ The EXPENSE BUDGET CONTROL OPTION field is “C” (full control) or “P” (presence control)
- ♦ The CENTRAL APPROVAL CODE field is “Y”
- ♦ The AUTO AP/EB GENERATED field is “N” (none) or “A” (AP document generated)

Shell EB documents are created for all records that meet these criteria. If an APP2 record is approved with the EXPENSE BUDGET CONTROL OPTION set at “N” (no control), an automated AP document is generated, but no EB is generated. If this field is subsequently changed to “C” or “P” while the automated process is still active, an automated EB document is generated.

If a fiscal year ADNT table record exists, the EB document is numbered using the following format:

EB ACY FY000000001 to EB ACY FY999999999

- ♦ ACY = Agency Code from APP2
- ♦ FY = New budget fiscal year - 14
- ♦ 000000001 = Next sequential number from ADNT table

If no ADNT entry exists, the process numbers the EB documents as follows:

EB ACY FYDDD000001 to EB ACY FYDDD999999

- ♦ ACY = Agency Code from APP2
- ♦ FY = New budget fiscal year - 14
- ♦ DDD = Julian date that shell was created on (1-365)
- ♦ 000001 = Sequentially numbered from '000001' to '999999'

Once the automated EB document process has identified records that meet the previously discussed criteria, the EB document process scans the expense budget summary by organization inquiry table (ESU1) and the expense budget inquire table (EXPB) for the agency, fund, and appropriation code for the prior fiscal year. If an expense budget existed in the prior fiscal year, information is copied from ESU1 and EXPB and included in a new EB document. Fields populated include:

- ♦ FUND
- ♦ AGENCY
- ♦ ORGANIZATION
- ♦ APPROPRIATION CODE
- ♦ PROGRAM
- ♦ OBJECT LEVEL CODE
- ♦ SUBOBJECT OPTION
- ♦ SPENDING CONTROL INDICATOR
- ♦ BUDGETED FTE
- ♦ DESCRIPTION

No dollar amounts are included on the shell EB document(s).

If no expense budget existed for the prior fiscal year, only the FUND, AGENCY, and APPROPRIATION CODE are copied from the APP2 into the new EB document. All other coding must be inputted by the agency.

Agencies will need to add dollar amounts, change any coding required, approve, and schedule the document(s) for processing. All normal EB document edits apply.

The Expense Budget Transaction Generation report (BDA31R) is available on Document Direct to help agencies identify the EB documents that are loaded into SUSF. Agencies should review the reports on SUSF the day after their APP2 records are approved for a listing of EB documents created. The transactions are on the report only on the day following the generation of the shell document.

Expense budgets must be established for each new fiscal year for agencies that use this budgetary control feature. Please ensure that your APP2 table records include the expense budget options

desired for your agency. These expense budgets must be established on COFRS prior to the acceptance of any pre-encumbrance or encumbrance transaction to ensure proper posting of those transactions.

2.7 Special Bill Recording

Legislative acts that contain appropriation clauses (special bills) should be recorded in the system as soon as possible in the new fiscal year. The semiautomated process discussed in Section 2.4 of this chapter may be used to record special bills, or the agency may manually produce AP documents. Always use an SAI "02" on AP documents recording special bill appropriations.

Special bill appropriations should be recorded by August 16, or the date established by the bill.

2.8 Nonappropriated Spending Authority

The recording of either new or carryforward nonappropriated spending authority may begin at any time after April 1. An agency may use the previously described semiautomatic booking process or may generate manual AP documents. Zero-dollar AP documents may be used to activate appropriation codes for nonappropriated spending authority prior to the actual carryforward or in higher education funds that have presence control. The next two subsections discuss the two main types of nonappropriated spending authority – federal funds and other custodial funds.

2.8.1 Carryforward of Federal Funds

Federal funds received directly from a federal source or indirectly from another state agency and have grant periods that do not expire at the end of the previous state fiscal year will need to be carried into the new state fiscal year. This may be done at any time for the agency after April 1. To carryforward a federal amount from FY12-13 to FY13-14 the agency must prepare an AP document and attach the appropriate documentation as described below:

- ♦ If the federal funds were 100 percent recorded in FY12-13 and are in a unique appropriation code (i.e., not commingled with cash, general appropriations, or other federal grants), provide a screen print of the applicable APPI and AFSI tables or a copy of the applicable page(s) of the BDA01R report. Also, indicate all AP documents used in FY12-13 to record appropriation authority based on the grant – a screen print of the OLBL with the appropriate AP documents noted is sufficient.
- ♦ If the federal funds were not 100 percent recorded in FY12-13, were 100 percent recorded but partially restricted, were recorded in an appropriation code with any general or cash appropriation or other federal grants, or the carryforward request is for more than the remaining balance of FY12-13 (i.e., grant modifications), different documentation is required. In this case, a copy of the grant award, documentation of previous expenditures specific to the grant, and an Illustration G worksheet are required.

2.8.2 Carryforward of Custodial Funds

As with federal funds, custodial funds that are still available to an agency after the close of the previous state fiscal year may be carried forward into FY13-14. Custodial funds are defined as funds which are given to the State that can be specifically identified and set aside, which are for a specific purpose, for which the State is to act as a custodian, and which are not available for the general use of the State. Custodial funds may or may not be exempt from the limitations of the TABOR amendment. To record the carryforward, the agency must prepare an AP document. To support the document, the agency must provide documentation of the source of funds (for TABOR purposes) and documentation of previous period expenditures.

If your agency has statutory authority to accept funds of this nature, use an SAI “10” on AP documents to record carryforwards. Always write the CRS cite on an AP document using an SAI “10.” If your agency does not have statutory authority, but is recording custodial funds, use an SAI “04” on the AP documents. To appropriately use an “04” indicator, the agency must show that the donor has restricted the use of the funds for a particular purpose.

2.9 Account Coding for Revenues Collected by the Department of Revenue for Other State Agencies

The Department of Revenue (DOR) collects various taxes and fees for several state agencies and posts these revenues directly to the recipient agencies’ COFRS accounts. State agencies receiving funds collected by DOR are reminded that all new account coding or account coding changes must be provided to DOR and must be activated in COFRS prior to the start of the new fiscal year. This is essential to ensure the proper and timely posting of revenues.

DOR posts/distributes receipts daily on a single JV document. This daily posting also includes manual warrants (MW document) reflecting the issuance of refunds and a second JV document to record short checks. If any coding on the JV document is not active in the system, the whole process rejects, thus delaying the posting of millions of dollars of state revenues. DOR has experienced problems in past fiscal years with coding not being activated in COFRS or changes in coding not being communicated to them.

It is essential that agencies have this revenue coding activated in COFRS and communicated to DOR prior to the new fiscal year. Thus, in order to ensure that DOR can post revenue in FY13-14, the deadline for activating coding in COFRS and communicating with DOR is June 5. To activate coding contact your FAST field controller.

Changes should be provided to Jason Grothaus at:

Colorado Department of Revenue
1375 Sherman Street, Room 448
Denver, Colorado 80203

Jason Grothaus may be reached at 303-866-3847 or jason.grothaus@state.co.us. The Department of Revenue’s fax number is 303-866-2400.

2.10 Overexpenditures Need to be Restricted

AP documents are needed to record a restriction of FY13-14 spending authority for any approved or unapproved FY12-13 overexpenditures. The OSC will request documents to accomplish these restrictions. If your agency must do a restriction of this type, please remember to use a restriction type of “O” (alpha) on the document. See Chapter 3, Section 1 for a full discussion of this issue. September 13 is the target completion date for recording these restrictions.

2.11 Use of the COFRS TA Document

The COFRS Transfer of Appropriation (TA document) is used to transfer appropriation authority from one appropriation code to another. However, since the TA document does not have the capability to transfer the related annotated revenue sources, it cannot be used for transfers of annotated cash or federal funds. By policy, this makes the TA document only available for use when transferring general fund dollars.

2.12 Zero-Dollar AP Documents

Agencies are not required to send the FAST a paper copy of most zero-dollar (\$0) AP documents. A zero-dollar AP document is defined as having all \$0s on the first screen of the AP document (the Header page). A zero-dollar AP document must be processed using an "07" SAI, except for restriction and unrestricted. The spending authority indicator to record a restriction and to release a restriction must be the same one used to originally record the spending authority. The processing of a zero-dollar AP document is accomplished by first applying level 3 approval to the document, then sending an e-mail request to your FAST field controller. It will be helpful to put the message "please approve zero-dollar AP document" in the subject line. The e-mail will need to indicate the AP document number(s) you would like approved and any associated APP2 record(s) that need approval. This procedure applies to all zero-dollar AP documents, except for the following situations where a signed copy of the AP document is required.

- ♦ The AP document has attached supporting documentation (e.g., releasing restricted federal spending authority based on a grant award, or booking restrictions based on approved overexpenditure form).
- ♦ Any other AP document your field controller requests to be signed and submitted to the OSC.

2.13 Long Bill Recast

Since FY94-95 the State budget document – the Long Bill – has been presented in a five-column format that was intended to incorporate the exempt and nonexempt revenue concepts of TABOR (Article X Section 20 of the State Constitution). In 2007, the JBC staff proposed a change in that format that would remove the exempt and nonexempt concept from the cash columns of the Long Bill. The Cash column remained and the Cash Funds Exempt column was replaced with a column titled Reappropriated.

The JBC cited several reasons for the change including that the appropriations document was ineffective as a way to control TABOR revenues, the presentation was confusing to decision makers, and the TABOR classification was not always correct. In addition, the JBC staff was interested in a way to isolate reappropriations in the Long Bill to better avoid duplications when reporting on the total budget. Under the JBC staff definitions, Reappropriated amounts are limited to instances where one appropriation is funded by another appropriation specifically listed in the Long Bill. Under this definition, instances of implied spending authority are not considered reappropriated, because there is no appropriation in the Long Bill that funds a second level appropriation. In general, the recast:

- ♦ Moved most Highway Users Tax Fund appropriations from the Cash Fund Exempt/Reappropriated (CFE/RE) column to the Cash Fund/Cash (CF/C) column,
- ♦ Moved most fund balance spending authority from the CFE/RE column to the CF/C column, and
- ♦ Moved all appropriations identified with a (T) note and any other appropriations identified as reappropriations to the CFE/RE column.

The OSC built a crosswalk of existing codes that had been used and new or revised codes that supported the recast appropriations. For historical purposes, the spreadsheet that analyzes the recast and the crosswalk is available on the OSC's website.

The following are important recast Long Bill considerations affecting agencies.

- ♦ The GCF indicators 'C' and 'W' will continue to be used so that programming on COFRS and in the financial reporting section of the OSC will continue to work. The 'C' will be used on revenue source codes supporting a Cash column appropriation, and a 'W' will be used on revenue source codes supporting a

Reappropriated column appropriation.

- ♦ The TABOR concept of Exempt and Nonexempt no longer has any bearing on the booking of the budget. However, it remains critical that actual revenues recorded are properly coded so that they can be counted for TABOR. To support this requirement, the OSC publishes a TABOR indicator for all revenue source codes in the State chart of accounts. Note that revenue source codes default to a TABOR indicator of Nonexempt, unless there is a specific basis for exempting them. Those nonexempt TABOR revenue source codes will be excluded from the TABOR count when they are used by a qualified TABOR enterprise. Now that the Long Bill no longer applies the TABOR concepts, most enterprise appropriations will be Cash column appropriations unless they qualify as Reappropriated. As a result enterprises will be using revenue sources that have ‘C’ as the GCF indicator and Nonexempt as the TABOR indicator; however these revenues will be exempted from TABOR based on the fund/agency indicators of the enterprise.
- ♦ The OSC expenditure allocation will continue to operate as it has in the past based on the June 29, 1994, OSPB/JBC/OSC memo (see Chapter 3, Section 1.5). The Reappropriated column will be treated similarly to the historical Cash Funds Exempt column.
- ♦ All nonappropriated activity will default to cash appropriations rather than to the historical default of cash funds exempt, because there is no logical basis for assuming that a nonappropriated item is reappropriated.

FY08-09 was the first year-end close under the recast format. Additional emphasis on the review of revenue coding will help ensure proper TABOR and budgetary treatment of revenues.

2.14 COFRS Modernization Line Coding

In FY12-13, the OSC instructed the State agencies on how to positive code their “COFRS Modernization” long bill line.

This line contains two portions. The first is for CGI services provided to maintain the existing COFRS system currently in use. These charges may be applied to all of the funding sources in the agency. The second portion of the billing is for implementation services provided by CGI for the new Enterprise Resource Planning system. **No part of these implementation services portions may be charged to a federal program.**

In order to ensure that the OSC can track and demonstrate funding source compliance to the federal government on the COFRS maintenance portion of the billing, separately from the COFRS Modernization portion of the billing, the OSC has split the Long Bill line coding into two parts (each carrying an LBLI indicator and a separate FSC indicator). This LBLI and FSC coding was provided to the agencies in FY12-13.

The OSC and the Governor’s Office of Information Technology prepared a cost recovery plan for approval by the federal Division of Cost Allocation that will acknowledge the prohibition on charging any pre-go-live implementation costs to any federal program. Compliance is essential to successful approval of our cost recovery plan. In order to demonstrate compliance agencies are required to positive code their funding sources. This means that agencies must assign one and only one appropriation code per Long Bill column (General, Cash, etc.) funding type per FSC for each of the two LBLI/FSC combinations related to the COFRS Modernization appropriation. Depending on the agency’s appropriated funding sources this could mean up to 8 appropriation codes between the two lines.

The OSC, in conjunction with the OIT, will distribute to the State agencies the amounts to be booked on the two lines (COFRS Maintenance & COFRS II Implementation) as soon as possible

after the Long Bill has been approved. The individual funding type amounts are calculated based on each agency's percentage, compared to the total overall funding type for the state.

Additionally, the AP documents to book these amounts should have an SAI "01" and the Federal amount in the COFRS II Implementation FSC should be restricted on the AP document.

The ITs you receive from OIT during the year will have a separate line for each of the FSC/GCF/APPR combinations, and will be billed based on 1/12 of the appropriation for each month.

CHAPTER 2: SECTION 3

REVENUE SOURCE NOTE ANNOTATIONS PROCEDURES

The Joint Budget Committee has concluded that the source and amount of funds (referred to as annotations) supporting a cash or reappropriated appropriation included in the Long Bill are part and parcel of the appropriation itself.

The following are guidelines that must be followed when booking the Long Bill to track compliance with the cash and reappropriated source annotations. Note, these procedures are only required when specific dollar amounts are delineated in the source note annotations (also known as long bill letternote).

3.1 Recording Annotations as Part of Budget Booking

1. When specific sources (i.e., either a certain fund or a specific type of revenue) and dollar amounts are included in the source annotations, cash and reappropriated funded spending authority must be annotated with specific budgeted amounts when the Long Bill is booked. This does not apply to overall generic annotations such as “various sources,” or annotations that only specify the fund from which the amount is coming from and the activity is accounted for in that fund.
2. Each annotation reported in the Long Bill must have a unique revenue source code or set of revenue source codes at the funding source code level so that each annotation may be tracked separately on COFRS reports and screens. This may necessitate the creation of new revenue source codes. If you need a new revenue source code created, please contact your FAST field controller. They will work with you to get the new code established in COFRS.
3. If an annotation is used across several Long Bill lines, referred to as bottom line funding (e.g., across the Funding Source Code), the agency uses the same revenue source code(s) for like revenue across all the lines so that the OSC may roll up the amounts at the Funding Source Code level to compare back to the annotation.
4. Any annotations that contain specific amounts as well as an “other” or “various” amount will be flexible up to the total amount of the “other” or “various” letternote. That means the “other” amount may be from any of the sources already specified in the annotation or from another source. The OSC will hold departments to the budgeted amounts in the annotation, but will allow “other” amounts to be allocated to the specified annotated amounts.

Example: Annotation is for \$1,000 in fees, \$1,000 in interest, and \$500 in “other.” The OSC would allow the agency to add up to the \$500 “other” amount into either of the specified revenue sources (not to exceed a combined total of \$500 for both) or as a separate source. All of the following situations would be allowed:

Situations	1	2	3	4
Fees	1,000	1,200	1,000	1,500
Interest	1,000	1,100	1,500	1,000
Other	500	200	0	0

5. Personal services lines that receive POTS allocations (centralized appropriations) will have an equal increase in the annotation(s) attached to those lines (i.e., the POTS amount will take on the nature of the line to which it is added). If the POTS amounts are annotated and are transferred to a personal services line that does not already contain that annotation source, the agency will need to add the annotation from the POTS line to the personal services line. If both lines are annotated, either method will work.
6. Special bills will be included in annotated Long Bill lines only when it is clear from the

language contained in the special bill that the amount appropriated is related to an existing Long Bill line/program. In these instances, the agency may increase the annotations in the line(s) by the amount included in the special bill(s) or, if applicable, new sources will be added to comply with the special bill. All other special bills will use separate COFRS coding and be kept separate from annotated Long Bill lines.

3.2 Diagnostic Reports

A diagnostic report comparing budgeted and actual revenues by revenue source code is available for review (see Chapter 3, Section 3.20 and Chapter 5, Section 1). A final diagnostic report will be generated after Period 13 close showing all variances with the budgeted annotations. It is important to note that the variances shown on the diagnostic reports do not constitute an overexpenditure as defined by CRS 24-75-109. Any questions about this process should be directed to your FAST field controller.

All diagnostic reports are available on the Financial Data Warehouse. For a complete list of the FDW diagnostic reports, please see Chapter 3, Section 3.20.

CHAPTER 2: SECTION 4

REQUESTS FOR INTERIM SPENDING AUTHORITY AUTHORIZED BY CRS 24-75-111

4.1 Background

When the General Assembly is not in session, CRS 24-75-111 establishes a process to provide appropriation authority to state agencies because of unforeseen circumstances. Specifically, the OSC may allow agency overexpenditures when approved by the OSPB, as applicable; the CDC, if related to a capital construction project; and the JBC in anticipation of an approved supplemental appropriation. This process is for use in emergency situations only.

4.2 Process For Submitting Requests

The processes for submitting requests for both non-capital construction and capital construction follow.

4.2.1 Non-Capital Construction Requests

Requests for interim spending authority should be consistent with all statutory provisions applicable to the program, function, or purpose for which the request is made, including the provisions of appropriation acts. This means the request should conform with or address existing statutes, Long Bill line items, the need for new Long Bill line items, and any related revenue source annotations associated with the original appropriation. All relevant documentation supporting the request should be included with the submission. Department staff should involve related contacts at the OSPB, the JBC, and the OSC as they prepare requests so all of the central oversight agencies are aware of the request and may provide input into its preparation.

Once complete, requests for interim spending authority are submitted to the OSPB for review and approval. Once approved by the OSPB, the requests are forwarded from the OSPB to the JBC for review and approval. Requests for interim spending authority submitted by the Departments of Law, Treasury, and State, the Judicial Department, and the General Assembly may be submitted directly to the JBC for review and approval.

A request must be approved, in whole or in part by a majority vote of the JBC. If approved, the JBC sends a letter to the State Controller notifying of such approval. The approval includes certification that the JBC intends to introduce a supplemental appropriation to cover the applicable fiscal year.

The OSC reviews and approves requests for interim spending authority based on the following factors:

- a. Nature of the unforeseen circumstances and verification that an overexpenditure will result if the request is not approved before a supplemental bill is passed.
- b. Compliance of the request with all relevant statutes, including existing appropriations acts.
- c. Approval by the required central oversight agencies (the OSPB, the CDC, and the JBC).

Should a request be denied, the submitting agency may submit a revised request.

Upon approval, the OSC notifies the agency and requests submission of appropriate AP documents. A spending authority indicator of "03" should be used since the request will ultimately be approved by the General Assembly as a supplemental appropriation.

4.2.2 Capital Construction Requests

For requests involving capital construction projects, requests should be completed as described

above. (The CDC and the Office of the State Architect staff should be included in discussions as appropriate.) However, once approved by the OSPB, capital construction requests are submitted to the CDC for review and approval. Requests for the Departments of Law, Treasury, State, the Judicial Department, and the General Assembly may be submitted directly to the CDC for review and approval. Once approved by the CDC, the CDC forwards the request with a letter signifying the CDC approval to the JBC. The process followed by the JBC is the same as for noncapital construction requests outlined in the previous section.

4.3 Follow-up and Final Resolution

The OSC maintains a log of all approved interim spending authority requests requiring action in the subsequent legislative session. The OSC provides a report detailing all approved requests to the OSPB and the JBC periodically throughout the year. During the legislative session, the OSC staff review all requests to ensure they are supported by approved supplemental appropriation acts.

If an interim request is not supported by an approved supplemental appropriation act, appropriation documents are processed reversing the interim spending authority (also processed with a spending authority indicator of "03"). Any resulting overexpenditure from this reversal will be addressed through the normal transfer/overexpenditure process established by the OSC (refer to Chapter 3, Section 1).

Once all supplemental bills have been approved, the OSC provides a final report to the OSPB, the CDC, and the JBC summarizing the status of all interim spending authority requests submitted during the year.