

BUDGET LETTER

NUMBER:	14-15
DATE ISSUED:	July 24, 2014
SUPERSEDES:	

SUBJECT: BUDGET CHANGE PROPOSAL TEMPLATE AND INSTRUCTIONS

REFERENCES: BL 14-05, BL 14-07, BL 14-08, AND BL 14-12

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 or will be issued regarding general budget preparation guidelines (BL 14-05) and Capital Outlay BCPs. Except for the method of how information is provided to Finance, instructions/definitions apply to all departments (Wave 1 and non-Wave 1).

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 new Chart of Accounts
- DP = Decision Package. A BCP in this context.
- ENY = Enactment Year. Formerly Year of Appropriation.
- Request by Category = Authorized spending by account code.

II. BCP Package

Wave 1 departments will provide all necessary information directly in the new FI\$Cal System (Hyperion):

1. DF-46 Cover Sheet—Attach a scanned signed copy to the Decision Package/Budget Request.
2. Analysis and Justification—attach a Word document providing the full explanation of the request. (See BCP instructions for all required sections).
3. Fiscal Details—Enter fiscal information in Hyperion. A report currently in design will be provided to departments to extract the information for the BCP package that will be provided to the Legislature, if approved.

All non-Wave 1 departments will submit BCPs as follows:

1. DF-46 Cover Sheet—Send a scanned signed copy via email to your Finance Budget Analyst.
2. Analysis and Justification—attach a Word document providing the full explanation of the request.
3. BCP Upload template—Use the new Excel template to provide fiscal details. Attach this Excel workbook in the same email note. 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. Given the timing of the new upload template release, if a department has

started the BCPs using the existing/old fiscal detail sheets, please coordinate with your Finance budget analyst regarding the exact timing to transition the data onto the new Excel template.

For **all departments**, a hard copy of the BCP cover sheet and BCP narrative must be also 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

BCP forms and instructions have been revised. All BCPs for 2015-16 must use the revised forms dated July 2014. These forms include a Cover Sheet available in Word, BCP narrative template in Word, and Excel spreadsheet templates for non-Wave 1 departments to capture fiscal information. Departments may obtain forms on the Finance website at: <http://www.dof.ca.gov/budgeting/forms/view.php> BCPs submitted on the old cover sheet and narrative document will be returned without consideration.

While the required elements of a BCP have not changed significantly, the forms to capture the data have changed. The following outlines the changes to the BCP forms:

Cover Sheet DF-46

Must be submitted by all departments irrespective of FI\$Cal Wave.

- Renamed BCP No. to Budget Request Name (must use unique naming convention for each Budget Request) using a unique naming convention format as shown below. Complete information regarding the required naming convention is available on Finance's website: http://internet2.xserve.dof.finance/FISCAL_Resources/view.php

Budget Request Name: 5225-001-BCP-BR-2015-GB

4 digit: Business Unit/Organization Code
 3 digit: Sequencer (001-999)
 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)
 2 digit: Budget cycle when the request is originated

GB: Governor's Budget BCP
 A1: April 1 Finance Letter
 MR: May Revision Finance Letter

- Organization Code renamed to Business Unit
- Removed Program, Element, and Component identification. (Now use program and subprogram and the detail will be reflected in the new templates/forms.)
- Renamed Proposal Title to Budget Request Description, which will be used to provide a meaningful and succinct title of the proposal.
- Renamed Proposal Summary to Budget Request Summary

BCP Narrative – Analysis of Problem

Must be completed by Wave 1 departments by providing an attachment in Hyperion. The unique name outlined above must be followed. All departments must provide a hard copy of the narrative along with the Cover Sheet.

- Moved the Resource History tables to the new spreadsheet templates (Program Budget tab and Workload Measures tab)
- Eliminated separate table for Outcomes and Accountability – Expected outcomes (workload measures) have been incorporated in the new Workload Measures tab identified above. This section should continue to include a summary of expected outcomes associated with request consistent with BCP instructions.
- Eliminated check boxes to identify special resources needed to support the proposal. Supplemental Information section should describe special resources and provide details to support costs including appropriate back up information.

Fiscal Detail Sheets (Excel upload template)

Wave 1 departments will enter fiscal information directly into Hyperion including request by category, position change request, position summary, reimbursements, and revenues, etc. (if applicable). While not entering into an Excel template, the definitions below apply.

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

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

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

- a) **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
 3. Enter Entity (organization code)
 4. Attribute Value: Policy or Workload (per Government Code 13308.05)
- b) **Program Budget Measures**—Provide five-year resource history of the program (unless it is a new program proposal).
- c) **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.
- d) **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, etc.).

- e) **Position Summary**—Specify fund information (Ref, 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.
- f) **Request By Category** (aka spending authority)—Specify the fund information (Ref, 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 suggested categories of expenditure/account codes. Departments must provide the same level of information as is required in the DF-300 Supplementary Schedule of Operating Expenses and Equipment. More information related to DF-300 will be provided later. If dollars are one-time in nature, use the Limited Term Request column. If the dollars are ongoing, use the OnGoing column. All Ongoing dollars should be copied to the appropriate BY1, BY2, BY3, and BY4 tabs. (If the request is for multi-year or continuous appropriation spending authority, please contact your Finance budget analyst for additional instructions.)
- g) **Reimbursements**—If the proposal requests a change in reimbursement spending authority, specify the fund information (Ref, Fund, ENY), Program, and source of reimbursements. Under the new Chart of Accounts (http://www.dof.ca.gov/FISCAL_Resources/view.php), these are reflected under account code of 48XXXXX 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). Enter reimbursements in the appropriate column as either Limited Term or OnGoing. All Ongoing reimbursements should be copied to the appropriate BY1, BY2, BY3, and BY4 tabs.
- h) **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. Enter revenues in the appropriate column as either Limited Term or OnGoing. All OnGoing revenues should be copied to the appropriate BY1, BY2, BY3, and BY4 tabs. Revenues are coded with an account code of 4XXXXXX (except for 48XXXXX which are for reimbursement receipts).
- i) **Revenue Transfers**—If the BCP proposes a new 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. These are formerly transfers reflected on Schedule 8.
- j) **(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. These are formerly loans reflected on Schedule 8.
- k) **(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. These are formerly loan repayments reflected on Schedule 8.

- l) **Summary**—No action is needed by departments. It 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:

- 2014 for current year
- 2015 for budget year
- 2015 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 a clear documentation as to the program/category spending authority to be funded with reimbursement. If the BCP is entire to be funded with reimbursements, only one BR is needed.

VI. Additional Resources Related to FI\$Cal

Finance created a new website "FI\$Cal Resources" to provide one location for all relevant FI\$Cal resources. This page will be updated and expanded frequently. Please utilize the information on this page as reference materials. Here is the web address:

http://internet2.xserve.dof.finance/FISCal_Resources/view.php

Also refer to FI\$Cal Job Aids available at <http://www.fiscal.ca.gov/access-fiscal/budgetsjob aids.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, 2014**. This date must be strictly followed to provide sufficient time to enter the requests into the FI\$Cal system. **Exception:** BCPs for chaptered legislation, if mission critical and late requests approved by Finance in advance consistent with the guidelines in BL 14-05.

If you have any questions regarding these changes, please call your Finance budget analyst.

/s/ Veronica Chung-Ng

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