

## 20.3 Perform Budget Close

## Revision History

Version	Date	Revision Notes
1.0	10/19/2020	Accepted Version
2.0	04/29/2021	Accepted Departmental Version

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## General Information

This document describes and depicts the process steps and supporting information for the identified State of Florida financial management business process. This information should be read in conjunction with the Business Process Flow Diagrams.

The Dependencies and Constraints section describes any conditions or criteria that impact how or when the business process should be executed. These could be set within Florida PALM or from external sources (i.e., Law or Rule).

The Business Process Overview section summarizes the business process and provides context for understanding the objectives and desired outcomes of the described business process.

Within the Business Process Flow Details section, included for each process step are:

- **Process Step ID** – A unique number assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Process Step Title** – A short description assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Description of Process** – A detailed narrative description of the process step, which provides additional information and context for understanding the process step

Also described below are the Ledger Impacts and Reports, which are displayed as icons on the Business Process Flow Diagrams. Ledger Impacts describe where there is an update to one of the ledgers used to track activity for accounting, budget management, or financial reporting purposes. Reports describe where a report is identified to be produced at a process step or is used to support the completion of a process step.

Finally, included in the Terminology section are definitions of terms which will help the reader to better understand the document. These are terms that are used within this document that may be new or that require a description for common understanding.

## Dependencies and Constraints

- The Department of Financial Services (DFS) and the Executive Office of the Governor/Office of Policy and Budget (EOG/OPB) publish fiscal year (FY) end closing memorandums that provide instructions, guidance, and deadlines.
- The EOG/OPB provides DFS a Carry Forward Appropriations document annually for guidance in processing Carry Forward Appropriations Florida PALM system transactions.
- Sections 216.301(1)(a) and (b), Florida Statutes (F.S.), require each state agency and the judicial branch to identify in the State's financial system any incurred obligation that has not been disbursed as of June 30. Incurred obligations, pursuant to the definition in Chapter 216, F.S., include accounts payable and encumbrances. Accounts receivable should be input into Florida PALM to the extent needed to cover incurred obligations. There are two types of accounts receivable that may be included: (1) vendor refunds, and

(2) reimbursement of intradepartmental or interdepartmental expenditures. Prior year warrant cancellations should not be included.

- Section 216.011(1)(i), F.S., defines Continuing Appropriation as an appropriation automatically renewed without further legislative action, period after period, until altered or revoked by the Legislature.
- DFS maintains a FY end closing activities document that includes tasks/milestones, task descriptions, resources contact information, and contingency/notes. This document is used throughout the FY end closing processes.
- Agency closing schedules are developed by DFS.
- Each agency is required to use the Florida PALM for all Carry Forward and Certified Forward processes, as well as to retrieve reports.
- Agency appropriation balances should not exceed appropriations that are authorized in the General Appropriations Act (GAA) and subsequently adjusted to reflect vetoes, supplementals, failed contingents, and current FY budget amendments. Authorized/Adjusted appropriations are required to be released prior to recording an expenditure.
- Legislative Budget Request (LBR) Startup process includes agency historical accounting data.
- The transfer of Agency Incurred Obligations to Legislative Appropriation System/Planning and Budgeting Subsystem (LAS/PBS) for First Carry Forward / Certified Forward reversion is pending discussions between DFS, EOG/OPB and LAS/PBS. Pursuant to the decision, the process model will require update to reflect the change in design.

## **Business Process Overview**

The Perform Budget Close business process is within the Budget Management (BM) business process grouping. BM includes a collection of business processes that:

- Manage the tracking and reporting of appropriations, allotments, and revenue estimates, including the exchange of information between LAS/PBS and Florida PALM;
- Manage budget exceptions; and
- Support the close-out of appropriations.

This business process addresses the Carry Forward and Certified Forward subprocesses. Guidelines for Carry Forward and Certified Forward subprocesses are established by the EOG/OPB in collaboration with the Legislature.

The business subprocesses included are:

- 20.3.1 Carry Forward
- 20.3.2 Certified Forward

Section 216.301, F.S., allows agencies to request approval to carry forward remaining operating budget balances and certify forward remaining Fixed Capital Outlay (FCO) appropriation balances into the next FY. In July, as part of FY end processes, agencies identify obligations (payables, encumbrances, FCO project balances) existing as of June 30 that should be carried forward or

certified forward. Florida PALM will provide agencies' historical accounting data directly to LAS/PBS. This historical accounting data is referred to as the Actual Prior Year Expenditures, which resides within LAS/PBS Column A01 and includes cash disbursements, carry forward for accounts payable and encumbrances, and accounts receivable information. Approved carry forward (operating) budget authority expires on September 30 and any remaining undisbursed budget authority reverts. FCO projects are typically multi-year projects and each year agencies may request certified forward approval for FCO projects until the project is complete or the EOG/OPB denies the request. Budget Close rules will be developed to ensure budget journals are generated appropriately for the Carry Forward and Certified Forward subprocesses, as per statutes. The Legislature and specific agency programs are granted unique carry forward authority (continuing appropriations), which is outlined in statutes, including a designated timeframe of the carry forward authority.

For the Legislature, Section 216.188, F.S., states that the Governor and the Chief Financial Officer shall each ensure that any balances of appropriations made to the Legislative Branch are carried forward as directed by the presiding officers of the Legislative Branch. For specific agency programs, any balance of any appropriation from the specified trust fund or general revenue that is not disbursed but is obligated pursuant to contract or committed to be expended, may be carried forward up to a statutory timeframe following the effective date of the original appropriation.

Through the legislative process, the Legislative Branch and specific agency programs are granted continuing appropriation, as defined under Section 216.011(1)(i), F.S., as an appropriation that is automatically renewed without future legislative action, period after period, until altered or revoked by the Legislature. These types of appropriations are typically appropriated utilizing a Special Carry Forward Category number series 13XXXX. However, there are a few instances where traditional operational categories are used for those agency programs who have been authorized by law to revert and reappropriate any remaining unexpended or unencumbered balances of appropriations for the same purpose for the next FY.

The EOG/OPB maintains a comprehensive document of unique carry forward allowances and monitors legislative bills throughout the legislative session and checks for any changes to existing or new allowances that may be passed by the Legislature. Each year after the legislative session, this document is provided to EOG/OPB Policy units for review and feedback. Once this review is completed, the document is provided to DFS for informational purposes and to process the applicable manual vouchers at the beginning of the FY.

## Business Process Flow Details

The table below describes steps in the business subprocess as reflected on the Process Flow diagrams. The table also reflects information associated with each step describing the intent of the specific process.

The Business Process Flow Diagrams use horizontal swim lanes to depict where activities are performed by different parties or systems. Each swim lane is titled with a role, either agency-based or enterprise-based, and in some cases, are representative of an external party or system. The swim lanes may change from page to page within a single business subprocess as more or fewer roles are required to execute sections of the business subprocess. Optionally, the process flow diagram may reflect vertical swim lanes to further designate information such as systems or time intervals.

Table 1: Carry Forward

20.3.1 – Carry Forward		
Swim Lanes – Definition	<b>Agency Budget Maintainer:</b> Agency roles responsible for managing Budget Close (Carry Forward and Certified Forward) task assignments as directed <b>DFS GL Close Processor:</b> DFS roles responsible for the processing of the Budget Close (Carry Forward and Certified Forward) budget journals <b>EOG/OPB:</b> (Non-Florida PALM role) Responsible for publishing appropriations, including budget adjustments in LAS/PBS; and functions performed by Systems Design and Development (SDD)	
Process Step ID	Process Step Title	Description of Process
1	Prepare for Budget Close	<p>DFS prepares for Budget Close to confirm all Actuals General Ledger (GL) activities have been completed in the closing FY. Any Actuals GL activities not recorded in the closing FY are no longer eligible to be recorded in the closing FY after Budget Close. DFS monitors and processes payments to validate compliance with the legislative intent.</p> <p>DFS and EOG/OPB publish memorandums that provide instructions, guidance, and deadlines for FY end activities including Carry Forward and Certified Forward. These memorandums are typically published starting in the month of April of each FY. The first DFS memorandum provides information related to undisbursed appropriations for operations, identified as incurred obligations and certified Fixed Capital Outlay (FCO) undisbursed appropriations, pursuant to Section 216.301, F.S.</p> <p>DFS generates and publishes the Carry Forward Monitoring Report and other pertinent reports to commence reviews of agency incurred obligations (payables, encumbrances and account receivables).</p>

Process Step ID	Process Step Title	Description of Process
2	Receive EOG/OPB Approval for Continuing Appropriations	<p>DFS receives and reviews Continuing Appropriations documentation for informational purposes and to process the appropriate transaction at the beginning of the FY. DFS also receives the Legislative Branch Carry Forward Funds Letter.</p> <p>The Florida Legislature (House/Senate) prepares and transmits Legislative Branch Carry Forward Funds Letter to EOG/OPB, DFS and other appropriate offices. The letter is prepared pursuant to the provisions of Section 216.1811(2), F.S., to retain the FY end budget balances for all legislative budget entities and to retain the balances in the carry forward funds for all legislative budget entities until further direction is given by the Presiding Officers of the Florida Legislature.</p> <p>The Budget Close process is configured with rule sets for those agencies with legislative authority for continuing appropriations.</p>
3	Process Agency Obligations & Review Carry Forward Monitoring Report	<p>Agencies receive agency addressed memorandum regarding undisbursed appropriations and process obligations as part of the FY end closeout process and take all appropriate steps to prepare for budget close.</p> <p>Agencies continuously review and monitor the Carry Forward Monitoring Report and other pertinent reports.</p> <p>Request for Certifications of FCO appropriations is statutorily required for all FCO balances, regardless of type or year in which the appropriation was made; all balances will be reviewed and are subject to reversion. Agencies funded with FCO appropriations are required to reconcile project balances and related activities in the Project Costing module to appropriation balances maintained in the Commitment Control ledger in support of the Request for Certifications FCO appropriations.</p> <p>The amounts identified as incurred obligations must not exceed available appropriation balances by budget entity, category, fund, and budget period (appropriation year).</p>
4	Manage Transaction Exceptions	<p>Agencies take appropriate steps to manage all transaction exceptions within Florida PALM, including edit and/or delete of transactions.</p>



Process Step ID	Process Step Title	Description of Process
		<p>Agencies continue to process incurred obligations as part of the FY end closeout process, ensuring that transactions processed do not exceed available appropriation balances by Fund, Budget Entity, Category, and budget period (appropriation year).</p> <p>Agencies and DFS review and monitor the Carry Forward Monitoring Report and other pertinent reports continuously, which is an iterative process.</p>
5	Confirm/Resolve Transaction Exceptions	<p>DFS conducts review of Agency Incurred Obligations by using the Carry Forward Monitoring and Budget Exceptions Reports.</p> <p>Agencies with transaction exceptions are contacted to take appropriate steps to resolve appropriately. DFS and agencies proceed with an iterative process and provide support to agencies as needed.</p> <p>DFS and agencies continue to monitor Carry Forward Monitoring and Budget Exceptions Reports until all transaction exceptions are resolved.</p>
6	Identify Eligible Carry Forward Incurred Obligations	<p>DFS systematically identifies all accounts payable and encumbrance subsidiary records that have operating appropriations at the end of the FY as incurred obligations.</p> <p>DFS and EOG/OPB establishes policy to incorporate additional Accounts Payable, Encumbrances, Accounts Receivable, and FCO (08XXXX and 14XXXX appropriation categories) prior to budget close as outlined in the Closing Process memorandums.</p>
7	Publish Agency Operating Recap / FCO Detail Reports	<p>DFS publishes Agency Operating Recap / FCO Detail Reports.</p> <p>Agencies transmit the Carry Forward Agency Recap Report for operational budget and, if applicable, the FCO Certified Forward Request Detail Report with Agency Head Certification to EOG/OPB.</p> <ul style="list-style-type: none"> <li>• Agencies with FCO will transmit one copy of the report to the Department of Management Services, Division of Real Estate Development and Management.</li> <li>• DFS provides support to agencies with any questions regarding Carry/Certified Forward Reports.</li> </ul>

Process Step ID	Process Step Title	Description of Process
		<p>Agencies generate Carry/Certified Forward Request Reports for all appropriation categories to maintain records for agency auditing purposes.</p> <p>EOG/OPB reviews and conducts different levels of review of Agency Recap Reports for operational and FCO appropriations. Agencies identify any issues and collaborate with EOG/OPB if there are adjustments warranted. This is an iterative process between EOG/OPB and agencies. EOG/OPB makes any adjustments necessary, as agencies do not have access to the Carry/Certifications Forward transactions in LAS/PBS.</p>
8	Extract / Transfer Agency Incurred Obligations to MFMP	DFS generates and transfers an export data file of Agency Incurred Obligations to MyFloridaMarketPlace (MFMP) at the end of the FY. The export data file is used to mark incurred obligations in MFMP for all agencies.
9	Extract Tentative Carry Forward / Certified Forward Balances (July)	DFS generates an export data file of Tentative Carry Forward / Certified Forward balances as of June 30 as part of the FY end closing activities.
10	Transfer Tentative Carry Forward / Certified Forward Balances (July)	<p>DFS transfers tentative Carry Forward and Certified Forward balances file as of June 30 as part of the FY end closing activities. The following balances files are transferred:</p> <ul style="list-style-type: none"> <li>• Operating &amp; FCO Unexpended Releases,</li> <li>• FCO Unexpended Appropriations Less Mandatory Reserve,</li> <li>• Total FCO Unbudgeted Reserve, and</li> <li>• FCO Approved Budget Unreleased.</li> </ul>
11	Receive Tentative Carry Forward / Certified Forward Balances (July)	EOG/OPB receives and loads to LAS/PBS the tentative Carry Forward and Certified Forward balances files, as of June 30.
12	Verify Tentative Carry Forward / Certified Forward Balances (July)	EOG/OPB verifies tentative Carry Forward & Certified Forward Balances.
13	Extract / Transfer Agency Incurred Obligations to LAS/PBS	DFS generates and transfers an export data file of Agency Incurred Obligations to LAS/PBS at the end of the FY. See 10.4 Close General Ledger and Consolidate Results subprocess for additional information, whereas DFS transmits interface file containing disbursements generated by Florida PALM.

Process Step ID	Process Step Title	Description of Process
		This process step is pending discussions between DFS, EOG/OPB and LAS/PBS regarding the First Carry Forward / Certified Forward reversion determination. The process model will be updated, as applicable, upon final determination.
14	Receive/Load Agency Incurred Obligations	EOG/OPB receives and loads all Agency Incurred Obligations to LAS/PBS.
15	Verify Loads/ Perform Carry Forward Technical Review	EOG/OPB verifies loads & performs technical compliance reviews to determine unobligated Carry Forward amounts. The verification and technical compliance reviews are inclusive of the Tentative Carry Forward / Certified Forward Balances, Agency Incurred Obligations (Operating and FCO) data files and creates reversion entries.
16	Determine/Post 1 <sup>st</sup> Operating Reversion Balances	Once EOG/OPB has finalized the technical compliance reviews, EOG/OPB creates reversion entries, as per Sections 216.301(a) and (b), F.S.  EOG/OPB determines and posts 1 <sup>st</sup> Operating (Carry Forward) appropriation reversion balances as part of Budget Close in LAS/PBS.  Any balances in operating accounts held in unbudgeted reserve on June 30 and unreleased appropriation balances do not carry forward.
17	Transfer 1 <sup>st</sup> Operating Reversion Balances	EOG/OPB transfers 1 <sup>st</sup> Operating (Carry Forward) appropriation reversion balances from LAS/PBS to Florida PALM.
18	Receive 1 <sup>st</sup> Operating Reversion Balances	DFS receives 1 <sup>st</sup> Operating (Carry Forward) appropriation reversion balances from LAS/PBS to Florida PALM for reconciliation purposes to initiate the Budget Close process (July) in Florida PALM. Using the 1 <sup>st</sup> Operating (Carry Forward) appropriation reversion balances and the Legislative Branch Carry Forward Funds letter, closing rules are configured.
19	Adjust Agency Incurred Obligations	EOG/OPB publishes the Operating Reversions Memorandum, which notes that a technical review of the incurred obligations, as identified by each agency, has been processed and reversion entries posted in the appropriation ledger within LAS/PBS.  If the EOG/OPB reversions differ from the Florida PALM requested carry forward amounts, a balance adjustment in Florida PALM is required prior to running the closing rules.

Process Step ID	Process Step Title	Description of Process
		<p>DFS and EOG/OPB communicates to agencies any adjustments of requested carry forward for operating accounts due to technical reasons determined by EOG/OPB.</p> <p>DFS adjusts the requested Carry Forward amounts in Florida PALM to reflect the amounts provided by the EOG/OPB to support running the budget closing rules. The adjustments are communicated to agencies. Agencies make appropriate adjustments to the source data to reflect the updates from the EOG/OPB.</p>
20	Review and Source Update Transactions	Agencies collaborate with DFS to make the necessary adjustments to the carry forward source transactions as appropriate. Agencies ensure that adjustments made to source transactions reconcile to carry forward balances.
21	Create Continuing Appropriations Journals	<p>DFS GL Close Processor confirms Carry Forward Appropriations documentation and balances for the Legislature and agency programs with EOG/OPB.</p> <p>DFS GL Close Processor creates budget journals to establish continuing appropriations.</p>
22	Configure Closing Rule #2 Based on EOG/OPB Documentation	The Budget Close process includes closing configuration for the subset of agencies with Continuing Appropriation as defined by Section 216.011(1)(i), Florida Statutes (F.S.); Appropriations automatically renew without further legislative action, period after period, until altered or revoked by the Legislature.
23	Budget Close (July) – Execute Rule #1A (Unobligated Carry Forward Balances)	<p><b><u>Carry Forward Operating Appropriation Budget Close</u></b></p> <p>The Budget Close step includes running the closing set validation report to ensure all closing sets and Carry Forward Operating Appropriations Budget Close rules are set up correctly and then executing the actual Budget Close.</p> <p><b>Execute Rule #1A (Unobligated Carry Forward Balances)</b></p> <p>For those agencies who have operating and FCO appropriations, each agency’s appropriations proceed with the appropriate operating or FCO processes.</p> <p>During the Budget Close business process, budget journals are created for Carry Forward reversions. Upon running the Budget Close process, reversion amounts are posted to the Budget Ledger. Reports and queries are generated after budget journals have been posted to confirm the posting.</p>

Process Step ID	Process Step Title	Description of Process
24	Budget Close (July) – Execute Rule #2 (Continuing Appropriations Balances)	<p><b><u>Carry Forward Operating Appropriation Budget Close</u></b>            The Budget Close step includes running the closing set validation report to ensure all closing sets and Carry Forward Operating Appropriations Budget Close rules are set up correctly and then executing the actual Budget Close.</p> <p><b>Execute Rule #2 (Continuing Appropriations Balances)</b></p> <p>During the Budget Close business process, budget journals are created for Carry Forward reversions. Upon running the Budget Close process, reversion amounts are posted to the Budget Ledger. Reports and queries are generated after budget journals have been posted to confirm the posting.</p>
25	Run Budget Close Reports (July)	The Run Budget Close Reports process step includes running the Budget Close Calculation Log report and other appropriate reports to begin validation of the close process.
26	Analyze Budget Close Reports (July)	The Analyze Budget Close Reports process step includes the review of the validation reports to ensure budgets were closed correctly and that all budgets required to be closed were included.
27	Run Budget Close Undo Process	The Execute Budget Close – Undo process step is performed if based upon the review and reconciliation, the Budget Close was not correct (e.g., ChartField value set error). This process step does an “Undo,” so corrections can be made, and the process can be rerun.
28	Correct Budget Close Issue(s)	Once the Undo process step is run, appropriate corrections can be made so that all errors are addressed. Once all errors are resolved, the Budget Close process can be re-executed.
29	Communicate Budget Close to Agencies	<p>Once the Budget Close process has been successfully executed and all results have been successfully validated, the Budget Close process is complete.</p> <p>DFS includes a global notification to agencies of the successful Budget Close to all agencies through Florida PALM. Agencies continue to process payments during the Carry Forward period.</p>
30	Review Appropriation Carry Forward Balances and Obligations	Once the Budget Close process is complete for the closing FY and agencies have been notified, agencies continue processing payments and begin review of Appropriation Carry Forward balances and obligations to confirm the results of the closing FY before beginning the transactions in the new FY.

Process Step ID	Process Step Title	Description of Process
		<p>EOG/OPB publishes operating reversions memorandum, which notes that a technical review of the incurred obligations, as identified by each agency, has been processed and posted reversion entries in the appropriation ledger within LAS/PBS.</p> <p>EOG/OPB communicates to agencies any adjustments of requested carry forward for operating accounts due to technical reasons were made and work with agencies to enable adjustments to LAS/PBS Column A01. Column A01 holds the agency's Actual Prior Year Expenditures.</p>
31	Create Final Payments of Encumbered Obligations by 9/30	Once agencies have successfully confirmed the Appropriation Carry Forward balances and encumbered obligations from the closing FY, the agencies begin activities in the new FY to create final payments to the encumbered obligations from the closing FY before they expire by September 30 for the succeeding New FY.
32	Process Final Payments of Incurred Obligations by 9/30	DFS processes final payments of incurred obligations for agencies until the end of September, which includes MFMP disbursement transactions pursuant to Section 216.301(1)(b), F.S. The final submission and received deadline dates are determined and published by DFS.
33	Refer to EOG/OPB Approval for Continuing Appropriations	<p>DFS receives and reviews EOG/OPB reconciliation of calculated projections of agency continuing appropriations to process the appropriate transactions at the beginning of the FY. The Budget Close process is configured differently for those agencies with legislative authority for continuing appropriations.</p> <p>During the Budget Close business process, budget journals are created for Carry Forward reversions. Upon running the Budget Close process, reversion amounts are posted to the Budget Ledger. Reports and queries are generated after budget journals have been posted to confirm the posting.</p>
34	Budget Close (September) – Execute Rule #1B (Reversions of Unexpended Carry Forward Balances)	<p><b><u>Carry Forward Operating Appropriation Budget Close</u></b>          The Budget Close step includes running the closing set validation report to ensure all closing sets and Carry Forward Operating Appropriations Budget Close rules are set up correctly and then executing the actual Budget Close.</p> <p><b>Execute Rule #1B (Reversions Unexpended Carry Forward Release Balances)</b></p>

Process Step ID	Process Step Title	Description of Process
		During the Budget Close business process, budget journals are created for Carry Forward reversions. Upon running the Budget Close process, reversion amounts are posted to the Budget Ledger. Reports and queries are generated after budget journals have been posted to confirm the posting.
35	Budget Close (September) – Execute Rule #3 (Calculated Continuing Appropriations Balances)	<p><b><u>Carry Forward Operating Appropriation Budget Close</u></b>            The Budget Close step includes running the closing set validation report to ensure all closing sets and Carry Forward Operating Appropriations Budget Close rules are set up correctly and then executing the actual Budget Close.</p> <p><b>Execute Rule #3 (Calculated Continuing Appropriations Balances)</b></p> <p>During the Budget Close business process, budget journals are created for Carry Forward reversions. Upon running the Budget Close process, reversion amounts are posted to the Budget Ledger. Reports and queries are generated after budget journals have been posted to confirm the posting.</p>
36	Run Budget Close Reports (September)	The Run Budget Close Reports process step includes running the Budget Close Calculation Log report and other appropriate reports to begin validation of the close process.
37	Analyze Budget Close Reports (September)	The Analyze Budget Close Reports process step includes the review of the validation reports to ensure budgets were closed correctly and that all budgets required to be closed were included.
38	Run Budget Close Undo Process	The Budget Close – Undo process step is performed if based upon the review and reconciliation, the Budget Close was not correct (example, ChartField value set error). This process step does an “Undo,” so corrections can be made, and the process can be rerun.
39	Correct Budget Close Issue(s)	Once the Undo process step is run, appropriate corrections can be made so that all errors are addressed. Once all errors are resolved, the Budget Close process can be re-executed.
40	Communicate Budget Close to Agencies	Once the Budget Close process has been successfully executed and all results have been successfully validated, the Budget Close process is complete. DFS communicates the successful Budget Close to all agencies through Florida PALM system notification.
41	Receive Budget Close Notification	Agencies receive Budget Close notification and continue to process payments during Carry Forward period.
42	Review Appropriation Carry	Once the Budget Close process is complete for the closing FY and agencies have been notified, agencies continue processing payments and begin review of Appropriation

Process Step ID	Process Step Title	Description of Process
	Forward Reversion Balances	Carry Forward balances and obligations to confirm the results of the closing FY before beginning the transactions in the new FY.
43	Transfer 2 <sup>nd</sup> Operating Reversion Balances	<p>Florida PALM transfers 2<sup>nd</sup> Operating Reversion balances file as of September 30 as part of the FY end closing activities.</p> <p>The file is transferred to EOG/OPB to be loaded into LAS/PBS after running Florida PALM Budget Close (September) process.</p>
44	Determine/Post 2 <sup>nd</sup> Operating Reversion Balances	<p>EOG/OPB receives, loads, and determines the Carry Forward Operating Reversion balances in LAS/PBS (September).</p> <p>EOG/OPB publishes Operating (Carry Forward) Reversions Memorandum.</p>
45	Transfer Approved Operating Balances (September)	<p>EOG/OPB transfers detail approved operating (Carry Forward) balances from LAS/PBS to DFS and the Auditor General.</p> <p>Florida PALM Certification Forward variance reports reflect the items not approved and any other necessary adjustments are made available by EOG/OPB to DFS and the Auditor General.</p>
46	Receive Approved Operating Balances (September)	<p>DFS receives and loads detail approved operating (Carry Forward) balances from LAS/PBS to Florida PALM.</p> <p>Florida PALM publishes approved variance reports to agencies, as agencies do not have access to these LAS/PBS reports during this time.</p>



Table 2: Certified Forward

20.3.2 – Certified Forward		
Swim Lanes – Definition	<p><b>Agency Budget Maintainer:</b> Agency roles responsible for managing Budget Close (Carry Forward and Certified Forward) task assignments as directed</p> <p><b>DFS GL Close Processor:</b> DFS roles responsible for the processing of the Budget Close (Carry Forward and Certified Forward) budget journals</p> <p><b>EOG/OPB:</b> (Non-Florida PALM role) Responsible for publishing appropriations, including budget adjustments in LAS/PBS; includes functions performed by SDD</p>	
Process Step ID	Process Step Title	Description of Process
1	Conduct Review of FCO Projects	<p>EOG/OPB conducts technical review of the FCO Certified Forward Request Detail Report previously received with the tentative Carry Forward and Certified Forward balances files transfer from Florida PALM to EOG/OPB.</p> <p>EOG/OPB reviews, adjusts, and can deny FCO projects as appropriate. EOG/OPB follows Budget Management Policy Unit’s checklist for Certifications Forward of FCO appropriations and conducts iterative technical review of FCO projects with agencies.</p> <p>The FCO review is thoroughly conducted to ensure statutory requirements have been met and are in compliance with historical guidelines.</p>
2	Respond to FCO Projects Inquiries	Agencies respond to EOG/OPB FCO projects inquiries and continue an iterative review of FCO projects.
3	Process FCO Projects Payments	Agencies prepare and process FCO projects payments to DFS for processing of Agency Incurred Obligations.
4	Process FCO Projects Payments	DFS reviews and processes FCO projects payments of incurred obligations for agencies.
5	Determine/Post FCO Reversion Balances	EOG/OPB completes technical review and creates reversion entries, as per Section 216.301, F.S. EOG/OPB determines and post Certified Forward Reversion balances as part of September FCO Budget Close in LAS/PBS.
6	Transfer FCO Reversion Balances	<p>EOG/OPB transfers FCO reversion balances from LAS/PBS to Florida PALM.</p> <p>EOG/OPB publishes approved FCO (Certified Forward) Posting Memorandum.</p>
7	Receive FCO Reversion Balances	DFS receives and loads FCO reversion balances from LAS/PBS to Florida PALM.
8	Transfer Approved FCO Balances (September)	EOG/OPB transfers detail approved FCO (Certified Forward) balances from LAS/PBS to DFS and the Auditor General.

Process Step ID	Process Step Title	Description of Process
		Florida PALM Certification Forward variance reports reflect the items not approved and any other necessary adjustments are made available by EOG/OPB to DFS and the Auditor General.
9	Receive Approved FCO Balances (September)	DFS receives and loads detail approved FCO (Certified Forward) balances from LAS/PBS to Florida PALM.  Florida PALM publishes approved variance reports to agencies, as agencies do not have access to these LAS/PBS reports during this time.
10	Continue Processing FCO Projects Payments	FCO Projects that are not eligible for reversion at September Budget Close are eligible for continued transaction processing.
11	Budget Close (September) – Execute Rule #4 (Certified Forward Balances)	<b><u>Certified Forward FCO Appropriation Budget Close</u></b> The Budget Close process step includes running the closing set validation report to ensure all closing sets and Certified Forward Appropriations Budget Close rules are set up correctly and then executing the actual Budget Close.  <b>Execute Rule #4 (Certified Forward Balances)</b>  During the Budget Close business process, budget journals are created for Certified Forward reversions. Upon running the Budget Close process, reversion amounts are posted to the Budget Ledger. Reports and queries are generated after budget journals have been posted to confirm the posting.
12	Run Budget Close Reports (September)	The Run Budget Close Reports process step includes running the Budget Close Calculation Log report and other appropriate reports to begin validation of the Budget Close process.
13	Analyze Budget Close Reports (September)	The Analyze Budget Close Reports process step includes the review of the validation reports to ensure budgets were closed correctly and that all budgets required to be closed were included.
14	Run Budget Close Undo Process	The Budget Close – Undo process step is performed if based upon the review and reconciliation, the Budget Close was not correct (example, ChartField value set error). This process step does an “Undo,” so corrections can be made, and the process can be rerun.
15	Correct Budget Close Issue(s)	Once the Undo process is run, appropriate corrections can be made so that all errors are addressed. Once all errors are resolved, the Budget Close process can be re-executed.

Process Step ID	Process Step Title	Description of Process
16	Communicate Budget Close to Agencies	Once the Budget Close process has been executed and all results have been successfully validated, the Budget Close process is complete. DFS communicates the successful Budget Close to all agencies through Florida PALM system notification.
17	Review Certified Forward Appropriation Balances	Once the Budget Close process is complete and agencies have been notified, agencies continue processing payments and begin review of Appropriation Certified Forward balances and obligations to confirm the results of the closing before beginning new transactions.
18	Produce February Reversion FCO Projects Worksheet	DFS produces electronically agency's February Reversion FCO Projects Worksheet to EOG/OPB and agencies for review and updates, as per Section 216.301.
19	Review & Update February Reversion FCO Projects Worksheet	Agencies review, update, and provide comments to the February Reversion FCO Projects Worksheets.  Agencies respond to EOG/OPB FCO projects inquiries as needed. Agencies and EOG/OPB conduct an iterative review of FCO projects.
20	Conduct Statutory Review of February Reversion FCO Projects Worksheet	EOG/OPB reviews, adjusts, and can deny FCO projects as appropriate. EOG/OPB follows Budget Management Policy Unit's checklist for Certifications Forward of FCO appropriations and conducts an iterative review of FCO projects with agencies. The FCO review is thoroughly conducted to ensure statutory requirements have been met and are in compliance with historical guidelines.  EOG/OPB and Agencies conduct an iterative review of FCO projects.
21	Post FCO Reversions	EOG/OPB completes technical review; EOG/OPB creates reversion entries, as per Section 216.301, F.S.; EOG/OPB posts FCO Reversion balances as part of Budget Close in LAS/PBS (February).
22	FCO Reversion Balances (February)	EOG/OPB transfers February FCO reversion balances from LAS/PBS to Florida PALM. EOG/OPB publishes February FCO reversions posting memorandum to DFS and all agencies.
23	Receive FCO Reversion Balances (February)	DFS receives and loads February FCO reversion balances from LAS/PBS to Florida PALM for reconciliation purposes after Budget Close process (February) has been run in Florida PALM.
24	Continue Processing FCO Projects Payments	The FCO Projects that are not eligible for reversion at February Budget Close are eligible for continued transaction processing.

Process Step ID	Process Step Title	Description of Process
25	Budget Close (February) – Execute Rule #4 (Certified Forward Balances)	<p><b><u>Certified Forward Operating Appropriation Budget Close</u></b></p> <p>The Budget Close step includes running the closing set validation report to ensure all closing sets and Certified Forward Appropriations Budget Close rules are set up correctly and then executing the actual Budget Close.</p> <p><b>Execute Rule #4 (Certified Forward Balances)</b></p> <p>During the Budget Close business process, budget journals are created for Certified Forward reversions. Upon running the Budget Close process, reversion amounts are posted to the Budget Ledger. Reports and queries are generated after budget journals have been posted to confirm the posting.</p>
26	Run Budget Close Reports (February)	The Run Budget Close Reports process step includes running the Budget Close Calculation Log report and other appropriate reports to begin validation of the close process.
27	Analyze Budget Close Reports (February)	The Analyze Budget Close Reports process step includes the review of the validation reports to ensure budgets were closed correctly and that all budgets required to be closed were included.
28	Run Budget Close Undo Process	The Budget Close – Undo process step is performed if based upon the review and reconciliation, the Budget Close was not correct (e.g., ChartField value set error). This process step does an “Undo,” so corrections can be made, and the process can be rerun.
29	Correct Budget Close Issue(s)	Once the Undo process is run, appropriate corrections can be made so that all errors are addressed. Once all errors are resolved, the Budget Close process can be re-executed.
30	Communicate Budget Close to Agencies	Once the Budget Close process has been successfully executed and all results have been successfully validated, the Budget Close process is complete. DFS communicates the successful Budget Close to all agencies through Florida PALM system notification.
31	Review Certified Forward Appropriation Balances	Once the Budget Close process is complete and agencies have been notified, agencies continue processing payments and begin review of Appropriation Certified Forward balances and obligations to confirm the results of the closing before beginning new transactions.

## Ledger Impacts

Table 3: Ledger Impacts Included on Business Process Flow Diagram

Ledger Impact ID	Leger - Ledger Impact Title	Ledger Impact Description
LI1	<p><b>Carry Forward – Budget Close (July)</b></p> <p>Budget Ledger - Unobligated Carry Forward Balances</p> <p>Budget Ledger - Continuing Appropriations Balances</p>	<p>Decrease budget                      Decrease remaining spending authority</p> <p>Budget remains the same                      Remaining spending authority remains the same</p>
LI2	<p><b>Carry Forward – Budget Close (July) Undo</b></p> <p>Budget Ledger - Unobligated Carry Forward Balances</p> <p>Budget Ledger - Continuing Appropriations Balances</p>	<p>Increase budget                      Increase remaining spending authority</p> <p>Budget remains the same</p>
LI3	<p><b>Carry Forward – Budget Close (September)</b></p> <p>Budget Ledger - Reversions of Unexpended Release Balances</p> <p>Budget Ledger - Calculated Continuing Appropriations Balances</p>	<p>Decrease encumbrance balance                      Remaining spending authority remains the same</p> <p>Decrease budget by calculated percentage                      Decrease remaining spending authority by the calculated percentage</p>
LI4	<p><b>Carry Forward – Budget Close (September) Undo</b></p> <p>Budget Ledger - Reversions of Unexpended Release Balances</p>	<p>Increase encumbrance balance                      Remaining spending authority remains the same</p> <p>Increase budget by calculated percentage                      Increase remaining spending authority by the calculated percentage</p>

Ledger Impact ID	Leger - Ledger Impact Title	Ledger Impact Description
	Budget Ledger - Calculated Continuing Appropriations Balances	
LI5	<b>Certified Forward – Budget Close (September and February)</b>  Budget Ledger - Certified Forward Balances	Decrease encumbrance balance Remaining spending authority remains the same Decrease budget Decrease remaining spending authority
LI6	<b>Certified Forward – Budget Close (September and February) Undo</b>  Budget Ledger - Certified Forward Balances	Increase encumbrance balance Remaining spending authority remains the same Increase budget Increase remaining spending authority

## Reports

Table 4: Reports Included on Business Process Flow Diagram

Report Number	Report Description	Report Frequency	Audience
R1	Carry Forward Monitoring Report – provides agency incurred obligations and balances	Periodic, Annual	DFS, Agency, EOG/OPB
R2	Budget Overview Online Inquiry – displays budget, encumbrance, expenditure, and remaining spending authority balances with the capability to drill into transactions, as per user-defined ChartField combinations for the Expenditure and Revenue Ledger Groups	Periodic	DFS, Agency
R3	Budget to Actuals to Forecast Report – displays budgeted amounts to actuals and projections expenditures and revenues by Chart of Account	Periodic	DFS, Agency

Report Number	Report Description	Report Frequency	Audience
	code combinations and associated costs		
R4	Commitment Control Exceptions (WorkCenter) – Budget Journals are not posted but are available to view and edit with adequate reasons for the exceptions with the capability to drill into transactions	Periodic	DFS, Agency
R5	Carry Forward Appropriations Report - a report on budgets at the carry forward appropriation level displaying incurred obligations and balances	Periodic, Annual	DFS, Agency, EOG/OPB
R6	Carry Forward Balances Report – provides balances to be carried forward and not included in reversions process	Periodic, Annual	DFS, Agency, EOG/OPB
R7	Carry Forward/Certified Forward Variance Reports – includes the Operating and FCO transactions not approved and any other necessary adjustments	Periodic, Annual	DFS, Agency, EOG/OPB, Auditor General
R8	Posted Budget Journals Report – provides detail transactions regarding any budget journals posted (appropriations, allotments, Carry Forward, Certified Forward, estimated revenue, etc.) and available by designated journal type, time periods and ChartField combinations, and budget period (appropriation year)	Periodic	DFS, Agency
R9	Continuing Appropriations Balances Report – configured annually to provide available balances per agency to be rolled forward, as granted continuing appropriation, as defined under Section 216.011(1)(i), F.S.	Periodic, Annual	DFS, Agency, EOG/OPB
R10	Continuing Appropriations Calculated Balances Report – configured annually to provide available calculated balances	Periodic, Annual	DFS, DOT, EOG/OPB

Report Number	Report Description	Report Frequency	Audience
	eligible to be rolled forward, as defined under Section 338.2216(3)(b), F.S. and Section 341.303(6)(b), F.S.		
R11	Tentative Carry Forward / Certified Forward Balances Report – provides Carry Forward (Operating) and Fixed Capital Outlay (FCO) Unexpended Releases, FCO Unexpended Appropriations less Mandatory Reserve, Total FCO Unbudgeted Reserve, and FCO Approved Budget Unreleased balances	Periodic, Annual	DFS, EOG/OPB
R12	February Reversion FCO Worksheet – includes all FCO appropriations (including disbursements and balances) for each agency	Periodic, Annual	DFS, Agency, EOG/OPB
R13	Schedule of Allotment Balances Report – provides an accrual basis budget report within an expenditure category and account (object) code for recorded allotments, encumbrances, expenditures, and remaining balances. The report is grouped by Fund and/or Budget Entity and available at designated time periods by ChartField combinations	Periodic	DFS, Agency
R15	Budget Overview – displays initial budget amount, amount rolled forward, budget adjustments and budget amount by budget period and one user-selected dimension	Periodic, Annual	DFS, Agency, EOG/OPB
R16	Funds Available Overview – displays an overview of budget amount, commitment amount, obligation amount, other encumbrances amount, expenditure amount, funds	Periodic	DFS, Agency



Report Number	Report Description	Report Frequency	Audience
	available and funds available percent by budget period and one user-selected dimension		
R17	Budgetary Control Dashboard – provides key analysis pertaining to expense budgets including budget amounts, encumbrances, and expenditures as well as revenue budgets including budget amounts and recognized revenues	Periodic	DFS, Agency

## Terminology

**Appropriations** – the legal authorization to make expenditures for specific purposes within the amounts authorized by law.

**Appropriation Category** – lowest level of funding in the General Appropriations Act (GAA), representing a major expenditure classification.

**Budget** – a proposed plan of revenue and expenditures for a given period.

**Budgetary Obligations (Obligations)** – encumbrances and payables to denote the planned use of budget.

**Carry Forward** – receivables, payables, and encumbrances that are carried over from one FY to the next. Carry Forward (operating budget) revenues and expenditures are shown in the FY in which the funds are committed and not in the year of receipt or disbursement.

**Carry Forward Appropriation** – the unexpended balance of appropriations carried over from one FY to the next.

**Closing Rules** – defines a group of budgets to close and the closing options for those budgets, including rolling forward available budget amounts.

**Certified Forward** – the balance of any appropriation for FCO that is not disbursed but is expended, contracted, or committed to be expended prior to February 1 of the second FY or the third FY if it is for an educational facility or for a construction project of a state university.

**Continuing Appropriation** – an appropriation renewed without further legislative action, period after period, until altered or revoked by the legislature; also known as 'Unique Carry Forward Appropriation.'

**FY** – any consecutive twelve-month period designated as the official budget year of the financial reporting entity. The FY for the State of Florida begins on July 1 and ends the following June 30.

**Fixed Capital Outlay (FCO)** – the appropriation category used to fund real property (land, buildings) including additions, replacements, major repairs, and renovations to real property.

**Fund** – identifies whether an appropriation is being funded from General Revenue or from a Trust Fund. General Revenue fund is State revenues that are undesignated as to the purpose and can be appropriated by the Legislature for any government purpose. Trust Funds are special State account(s) established by the legislature to fund specific programs or services.

**General Appropriations Act (GAA)** – the legislation passed each year that authorizes the budget given to each agency for stated purposes in the performance of functions authorized by law.

**General Revenue** – consist of all moneys received by the state from every source whatsoever, except trust funds and the Budget Stabilization Fund.

**Legislative Appropriation System/Planning and Budgeting Subsystem (LAS/PBS)** – applications that manage the budget/appropriations preparation, approval, and execution process for the State. The Executive Office of the Governor/Office of Policy and Budget (EOG/OPB) is required to develop the planning and budgeting system and to provide services to the Legislature for the support and use of the Legislative Appropriations System. The LAS/PBS is managed by a steering committee composed of three members: the Director of the Office of Policy and Budget, the Staff Director of the House Appropriations Committee, and the Staff Director of the Senate Appropriations Committee.

**Operating Budget** – the approved plan of operation consistent with the GAA and other substantive legislation or appropriations approved through the interim budget amendment process.

**Payable** – liability owed to pay for goods and services received or for other obligation.

**Reversions** – the balance of appropriations that are not expended by an authorized date (generally September 30 for operational appropriations and February 1 of the second year for FCO appropriations).

**Trust Fund** – state account established by the Legislature consisting of money received by the State of Florida, which, under law or under trust agreement, are segregated for a purpose authorized by law.