

20.3 Perform Budget Close

Revision History

Version	Date	Revision Notes
1.0	07/30/2019	Accepted 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 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 (Type A) and encumbrances (Type B). Accounts receivable (Type C) 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 Fiscal Year (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 schedule are developed by DFS
- Each agency is required to use the Florida PALM for all Carry Forward and Certified Forward processes
- 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

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, Certified Forward, and Carry Forward Appropriations subprocesses. Guidelines for Carry Forward, Certified Forward, and Carry Forward Appropriations 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 Legislative Appropriation System/Planning and Budgeting Subsystem (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 processes, as per statutes. The Legislature and specific agency programs are granted unique carry forward authority, 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 certain 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 several 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	Agency Accounting/Budget: agency role responsible for performing Budget Close (Carry Forward and Certified Forward) task assignments DFS GL Close Processor: DFS roles responsible for the processing of the Budget Close (Carry Forward and Certified Forward) budget journals EOG/OPB: (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.</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 FCO undisbursed appropriations, pursuant to Section 216.301, F.S.</p> <p>DFS generates and publishes the Carry Forward Monitoring Report (on-line query) to commence reviews of agency incurred obligations.</p>
2	Process Agency Obligations & Review Carry	Agencies receive agency addressed memorandum regarding undisbursed appropriations and process obligations as part of the FY end closeout process.

Process Step ID	Process Step Title	Description of Process
	Forward Monitoring Report	<p>Agencies continuously review and monitor the Carry Forward Monitoring Report. Agencies take appropriate steps to resolve all negative balances.</p> <p>The amounts identified as incurred obligations must not exceed available appropriation balances by budget entity, category, and fund.</p>
3	Receive EOG/OPB Approval for Continuing Appropriations	<p>DFS receives and reviews Carry Forward 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>
4	Confirm/Resolve Negative Account Code Balances with Agencies	<p>DFS conducts review of agency incurred obligations by using the Carry Forward Monitoring Report.</p> <p>Agencies with negative balances are identified and contacted to take appropriate steps to resolve all negative balances appropriately. This is an iterative process between DFS and agencies.</p> <p>DFS and agencies continue to monitor Carry Forward Monitoring Report until all negative balances are resolved. DFS provides support to agencies with any questions regarding Carry Forward Reports.</p> <p>EOG/OPB will correspond with agencies for resolution of any incurred obligations, which require review.</p>
5	Resolve Negative Account Code Balances	<p>Agencies take appropriate steps to resolve all negative balances. The amounts identified as incurred obligations must not exceed available appropriation balances by budget entity, category, and detail fund.</p>

Process Step ID	Process Step Title	Description of Process
		<p>Agencies review and monitor the Carry Forward Monitoring Report continuously. This is an iterative process between the agencies and DFS.</p> <p>Agencies continue to process incurred obligations as part of the FY end closeout process, ensuring that transactions processed do not reflect negative balances.</p>
6	Identify Eligible Carry Forward Incurred Obligations	<p>DFS systematically identifies all accounts payable and encumbrance subsidiary records in Florida PALM that have an operating appropriation at the end of the FY as incurred obligations.</p> <p>DFS will establish policy to incorporate additional Type As, Bs, and Cs prior to budget close as outlined in the Closing Process memorandum.</p>
7	Agency Incurred Obligations	DFS will prepare and send a data file to the MyFloridaMarketPlace (MFMP) system at the end of the FY, to be used to mark incurred obligations in MFMP for all agencies.
8	Tentative Carry Forward / Certified Forward Balances (July)	<p>DFS generates and 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"> • Operating & FCO Unexpended Releases, • FCO Unexpended Appropriations Less Mandatory Reserve, • Total FCO Unbudgeted Reserve, and • FCO Approved Budget Unreleased.
9	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.
10	Verify Tentative Carry Forward / Certified Forward Balances (July)	EOG/OPB verifies tentative Carry Forward & Certified Forward Balances.
11	Publish/Transmit Agency Operating Recap/FCO Detail Reports	DFS transmits agencies' Carry Forward Agency Recap Reports for operational budget and, if applicable, the FCO Certified Forward Request Detail Report to EOG/OPB. These reports are transmitted along with the Agency Head Certification, which must be provided to DFS by the agencies at a designated timeframe determined by DFS.

Process Step ID	Process Step Title	Description of Process
		<p>DFS transmits electronically the FCO Certified Forward Request Detail Report to the Department of Management Services (DMS), Division of Real Estate Development and Management.</p> <p>DFS provides support to agencies, EOG/OPB and DMS with any questions regarding Carry/Certified Forward Reports regarding the recap reports as needed.</p> <p>Agencies generate the Carry Forward Agency Recap Reports for operational budget and, if applicable, the FCO Certified Forward Request Detail Report for all appropriation categories to maintain records for agency auditing purposes.</p> <p>EOG/OPB receives, 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 for adjustments to be made. This is an iterative process between EOG/OPB and agencies. EOG/OPB makes any adjustments necessary, as agencies do not have access to LAS/PBS currently.</p>
12	Agency Incurred Obligations	<p>DFS transfers all agencies incurred obligations to LAS/PBS.</p> <p>The agencies incurred obligations represent historical accounting data which is referred to as Actual Prior Year Expenditures and includes cash disbursements, carry forward/certifications forward for accounts payable and encumbrances, and accounts receivable information. The Actual Prior Year Expenditures are a key component of the preliminary phase of the budget preparation process within LAS/PBS and activities performed by all agencies. The process of preparing the budget database for the Legislative Budget Request (LBR) is referred to as Startup. This historical accounting data may be adjusted by the agency but a copy of the data before any adjustments will be retained as a permanent record of the transferred data.</p> <p>The agencies incurred obligations are two separate interface files for each agency (one with cash disbursements and one with carry forward/certifications forward data.)</p>
13	Receive/Load Agency Incurred Obligations	EOG/OPB receives and loads all agency incurred obligations to LAS/PBS.
14	Verify Loads/ Perform Carry	EOG/OPB verifies loads & performs technical compliance reviews to determine unobligated Carry Forward amounts. The verification and technical compliance reviews are inclusive of

Process Step ID	Process Step Title	Description of Process
	Forward Technical Review	the Tentative Carry Forward / Certified Forward Balances, Agency incurred obligations (Operating and FCO) data files, and creates reversion entries.
15	Determine/Post 1 st Operating Reversion Balances	<p>Once EOG/OPB has finalized the technical compliance reviews, EOG/OPB creates reversion entries, as per Sections 216.301(a) and (b), F.S.</p> <p>EOG/OPB determines and posts 1st Operating (Carry Forward) appropriation reversion balances as part of Budget Close in LAS/PBS.</p> <p>Any balances in operating accounts held in unbudgeted reserve on June 30 and unreleased appropriation balances do not carry forward.</p>
16	1 st Operating Reversion Balances	EOG/OPB transfers 1 st Operating (Carry Forward) appropriation reversion balances from LAS/PBS to Florida PALM.
17	Receive 1 st Operating Reversion Balances	DFS receives 1 st 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 st Operating (Carry Forward) appropriation reversion balances and the Legislative Branch Carry Forward Funds letter, closing rules are configured.
18	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.), appropriation automatically renewed without further legislative action, period after period, until altered or revoked by the Legislature.
19	Budget Close (July) – Execute Rule #1A (Unobligated Carry Forward Balances)	<p>Carry Forward Operating Appropriation Budget Close 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><u>Execute Rule #1A (Unobligated Carry Forward Balances)</u></p> <ul style="list-style-type: none"> • Reduce Unobligated Carry Forward balances to zero. • Maintain encumbered obligations available to be liquidated after the close. <p>For those agencies who have operating and FCO appropriations, each agency’s appropriations proceed with the appropriate operating or FCO processes.</p>

Process Step ID	Process Step Title	Description of Process
		<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>
20	<p>Budget Close (July) – Execute Rule #2 (Continuing Appropriations Balances)</p>	<p>Carry Forward Operating Appropriation Budget Close 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><u>Execute Rule #2 (Continuing Appropriations Balances)</u></p> <ul style="list-style-type: none"> • Roll over all Unobligated Carry Forward balances to the new FY. • Maintain encumbered obligations as a part of roll over authorized with Continuing Appropriation. <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>
21	<p>Run Budget Close Reports (July)</p>	<p>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.</p>
22	<p>Analyze Budget Close Reports (July)</p>	<p>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.</p>
23	<p>Run Budget Close Undo Process</p>	<p>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.</p>
24	<p>Correct Budget Close Issue(s)</p>	<p>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.</p>
25	<p>Communicate Budget Close to Agencies</p>	<p>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. Agencies continue to process payments during the Carry Forward period.</p>

Process Step ID	Process Step Title	Description of Process
26	Review Appropriation Carry Forward Balances and Obligations	<p>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.</p> <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 will work with agencies to enable adjustments to LAS/PBS Column A01. Column A01 holds the agency's Actual Prior Year Expenditures.</p>
27	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.
28	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.
29	Approved Operating/FCO Balances (September)	<p>EOG/OPB transfers detail approved operating (Carry Forward) and FCO (Certified Forward) balances to DFS and the Auditor General.</p> <p>Florida PALM Certification Forward variance reports reflect the items not approved and any other necessary adjustments will be made available by EOG/OPB to DFS and the Auditor General.</p>
30	Receive Operating/FCO Balances (September)	<p>DFS receives and loads detail approved operating (Carry Forward) and FCO (Certified Forward) balances.</p> <p>Florida PALM will <i>publish</i> approved variance reports to agencies, as agencies do not have access to these LAS/PBS reports during this time.</p>
31	Refer to EOG/OPB Approval for Continuing Appropriations	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.

Process Step ID	Process Step Title	Description of Process
		<p>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>
32	Budget Close (September) – Execute Rule #1B (Reversions Unexpended Carry Forward Balances)	<p><u>Carry Forward Operating Appropriation Budget Close</u> 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>Execute Rule #1B (Reversions Unexpended Carry Forward Release Balances) Reduce remaining encumbrance balances to zero, even if not fully liquidated, unless identified to reverse Carry Forward obligations as per Section 216.301(1)(c), F.S.</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>
33	Budget Close (September) – Execute Rule #3 (Calculated Continuing Appropriations Balances)	<p><u>Carry Forward Operating Appropriation Budget Close</u> 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>Execute Rule #3 (Calculated Continuing Appropriations Balances)</p> <ul style="list-style-type: none"> • Of the unexpended funds, any unencumbered amounts carried forward shall not exceed 5 percent of the original approved operating budget of the statutorily designated agency programs. • Maintain encumbered obligations as a part of roll over authorized with Continuing Appropriation. <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</p>

Process Step ID	Process Step Title	Description of Process
		Ledger. Reports and queries are generated after budget journals have been posted to confirm the posting.
34	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.
35	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.
36	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.
37	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.
38	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.
39	Receive Budget Close Notification	Agencies receive Budget Close notification and continue to process payments during Carry Forward period.
40	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.
41	2 nd Operating Reversion Balances	Florida PALM transfers 2 nd Operating Reversion balances file as of September 30 as part of the FY end closing activities. The file is transferred to EOG/OPB to be loaded into LAS/PBS after running Florida PALM Budget Close (September) process.
42	Determine/Post 2 nd Operating Reversion Balances	EOG/OPB receives, loads and determines the Carry Forward Operating Reversion balances in LAS/PBS (September). EOG/OPB publishes Operating (Carry Forward) Reversions Memorandum.

Table 2: Certified Forward

20.3.2 – Certified Forward		
Swim Lanes – Definition		
<p>Agency Accounting/Program/Budget: agency roles responsible for performing Budget Close (Carry Forward and Certified Forward) task assignments as directed</p> <p>DFS GL Close Processor: DFS roles responsible for the processing of the Budget Close (Carry Forward and Certified Forward) budget journals</p> <p>EOG/OPB: (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	Submit FCO Projects Payments	Agencies submit FCO projects payments to DFS for processing of incurred obligations.
4	Process FCO Projects Payments	DFS 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 FCO reversion balances from LAS/PBS to Florida PALM.

Process Step ID	Process Step Title	Description of Process
8	Approved Operating/FCO Balances (September)	EOG/OPB transfers detail approved operating (Carry Forward) and FCO (Certified Forward) balances from LAS/PBS to Florida PALM and the Auditor General. Florida PALM Certification Forward variance reports reflect the items not approved and any other necessary adjustments will be made available by EOG/OPB to DFS and the Auditor General.
9	Receive/Process Approved FCO Detail Variance Reports	DFS receives and loads detail approved operating (Carry Forward) and FCO (Certified Forward) reversion balances from LAS/PBS to Florida PALM. Florida PALM will publish 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)	<u>Certified Forward FCO Appropriation Budget Close</u> 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. Execute Rule #4 (Certified Forward Balances) <ul style="list-style-type: none"> • Reduce remaining encumbrance balances to zero, even if not fully liquidated. • Reduce uncommitted spending authority balances to zero. 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

Process Step ID	Process Step Title	Description of Process
		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.
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/Transmit February Reversion FCO Projects Worksheet	DFS transmits electronically agency's February Reversion FCO Projects Worksheet to EOG/OPB.
19	Receive/Conduct Statutory Review of February Reversion FCO Projects Worksheets	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. Agencies respond to EOG/OPB FCO projects inquiries as needed. EOG/OPB and Agencies conduct an iterative review of FCO projects.
20	Post FCO Reversions	EOG/OPB completes technical review, EOG/OPB create reversion entries, as per Section 216.301, F.S. EOG/OPB posts FCO Reversion balances as part of Budget Close in LAS/PBS (February).
21	FCO Reversion Balances (February)	EOG/OPB transfers detailed data for Certified Forward appropriation reversion balances from LAS/PBS to Florida PALM.
22	Receive FCO Reversion Balances (February)	DFS receives detailed data for Certified Forward appropriation reversion balances from LAS/PBS to Florida PALM for reconciliation purposes after Budget Close process (February) has been run in Florida PALM.
23	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
24	Budget Close (February) – Execute Rule #4 (Certified Forward Balances)	<p><u>Certified Forward Operating Appropriation Budget Close</u> 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>Execute Rule #4 (Certified Forward Balances)</p> <ul style="list-style-type: none"> • Reduce remaining encumbrance balances to zero, even if not fully liquidated. • Reduce uncommitted spending authority balances to zero. <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>
25	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.
26	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.
27	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.
28	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.
29	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.
30	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 2: Ledger Impacts Included on Business Process Flow Diagrams

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Carry Forward – Budget Close (July) Budget Ledger - Unobligated Carry Forward Balances Budget Ledger - Continuing Appropriations Balances	 Decrease budget Decrease remaining spending authority Budget remains the same Remaining spending authority remains the same
LI2	Carry Forward – Budget Close (July) Undo Budget Ledger - Unobligated Carry Forward Balances Budget Ledger - Continuing Appropriations Balances	 Increase budget Increase remaining spending authority Budget remains the same
LI3	Carry Forward – Budget Close (September) Budget Ledger - Reversions of Unexpended Release Balances Budget Ledger - Calculated Continuing Appropriations Balances	 Decrease encumbrance balance Remaining spending authority remains the same Decrease budget by calculated percentage Decrease remaining spending authority by the calculated percentage
LI4	Carry Forward – Budget Close (September) Undo Budget Ledger - Reversions of Unexpended Release Balances Budget Ledger - Calculated Continuing Appropriations Balances	 Increase encumbrance balance Remaining spending authority remains the same Increase budget by calculated percentage Increase remaining spending authority by the calculated percentage
LI5	Certified Forward – Budget Close (September and February) Budget Ledger - Certified Forward Balances	 Decrease encumbrance balance

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
		Remaining spending authority remains the same Decrease budget Decrease remaining spending authority
LI6	Certified Forward – Budget Close (September and February) Undo 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 Diagrams

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	Carry Forward Balances Report – provides balances to be carried forward and not included in reversions process	Periodic, Annual	DFS, Agency, EOG/OPB
R3	Agency Operating Recap Report – displays by fund type all accounts payables, encumbrances, and account receivables balances by agency, including the net amount to be Carried Forward	Periodic, Annual	DFS, Agency, EOG/OPB
R4	Certified Forward Request Detail Report – displays project number, project title, and appropriation balances	Periodic, Annual	DFS, Agency, EOG/OPB
R5	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
R6	Continuing Appropriations Balances Report – configured annually to provide available balances per agency to be rolled	Periodic, Annual	DFS, Agency, EOG/OPB

Report Number	Report Description	Report Frequency	Audience
	forward, as granted continuing appropriation, as defined under Section 216.011(1)(i), F.S.		
R7	Continuing Appropriations Calculated Balances Report – configured annually to provide available calculated balances eligible to be rolled forward, as defined under Section 338.2216(3)(b), F.S. and Section 341.303(6)(b), F.S.	Periodic, Annual	DFS, DOT, EOG/OPB
R8	February Reversion FCO Worksheet – includes all FCO appropriations (including disbursements and balances) for each agency	Periodic, Annual	DFS, Agency, EOG/OPB
R9	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
R10	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
R11	Funds Available Overview – displays an overview of budget amount, commitment amount, obligation amount, other encumbrances amount, expenditure amount, funds available and funds available percent by budget period and one user-selected dimension	Periodic	DFS, Agency
R12	Budgetary Control Dashboard – provides key analysis pertaining to expense budgets including budget amounts, encumbrances,	Periodic	DFS, Agency

Report Number	Report Description	Report Frequency	Audience
	and expenditures as well as revenue budgets including budget amounts and recognized revenues		
R13	Encumbrance Report – provides the budget committed for the payment of goods and services ordered but not yet received	Periodic	DFS, Agency
R14	Expenditures Detail Report – provides expenditures for the cost of goods delivered or services rendered	Periodic	DFS, Agency
R15	Journal Details Report (Encumbrances, Expenditures & Revenues) – displays journal transactions that contribute to the commitments balance amount, obligations balance amount, other encumbrances balance amount, expenditures balance amount and revenue balance amount	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.