

20.2 Budget Execution and Management

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Budget Execution and Management

General Information

This document describes and depicts the process steps and supporting information for the identified State business process. Within the *Process Flow Details* section, included for each process step are:

- **Process Step ID** – A unique number assigned to each process step
- **Process Step Title** – A short description assigned to each process step
- **Description of Process** – A detailed narrative description of the process step
- **Ledger Impacts ID** – The number assigned to the documented accounting entry associated with the step

Also described below are the Ledger Impacts and *Reports*, which are displayed as icons on the *Business Process Flow Diagrams*. Finally, included in the *Terminology* section are definitions of terms which will help the reader to better understand the document.

Dependencies and Constraints

- Agency appropriation balances should not exceed the General Appropriations Act (GAA) appropriation.

Business Process Overview

The configuration of Florida PALM determines if a transaction is subject to Budget Check. Some transaction types such as liability, revenue, and others are configured to not be subject to Budget Check, therefore these transactions skip the Budget Check process and continue to approval and posting. All other transactions are Budget Checked.

The Budget Check process in Florida PALM compares the source transaction to the available appropriations (release, reserve, and allotment). If there are appropriations available, the transaction continues processing. If appropriations are not available, the transaction fails Budget Checking and results in an error. Some transactions may generate warnings, which function as exceptions that are automatically overridden. Budget Check exceptions are resolved via the Budget Checking process.

Designated users within an agency and the Department of Financial Services (DFS) can manage the exceptions resulting from the Budget Check process. The user determines if a modification to a source transaction is needed to rectify the error, or if the error lies with an encumbrance, appropriation, or allotment and take appropriate steps to adjust. After correcting the error, the transaction goes through the Budget Check process again and proceeds to approval and posting.

There may be instances where a budget amendment is needed to correct an error, in which case the agency follows standard budgetary procedures to secure the budget amendment. If payment is needed prior to official approval of the budget amendment, Florida PALM provides an override

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functionality for use by DFS. The DFS Budget Maintainers have the option of overriding the insufficient appropriations transaction error to allow the transaction to continue to approval and posting. The transaction’s override is generally needed to process time sensitive transactions, or when a budget amendment has been processed and awaits the completion of the statutory consultation period to conclude but not yet implemented.

Subprocess 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.

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Swim Lanes – Definition	<p>Agency Budget Processor: agency role responsible for assisting with managing budget errors</p> <p>Agency Processor: agency role responsible for Budget Check processing</p> <p>DFS Budget Maintainer: DFS role responsible for performing Budget Check tasks</p>

Process Step ID	Process Step Title	Description of Process
1	Run Budget Check	The configuration of Florida PALM determines if a transaction is subject to Budget Check. The Budget Check is initiated by a user or an automated process. If no errors result from the Budget Check, the process ends, and the source transaction continues to approval and posting. If errors exist, the Agency Processor manages the Budget Check errors.
2	Manage Budget Check Errors	<p>All transactions that produce errors are handled by the Agency Processor, who works with the source module, the agency budget office and/or the agency program office to review and resolve the errors. For Budget Check errors where the Chart of Accounts (COA) coding is incorrect, the Agency Processor proceeds with modifying the transaction.</p> <p>For Budget Check errors where the coding is correct, the Agency Processor manages the error as follows:</p> <ul style="list-style-type: none"> • Transactions that produce encumbrance errors, are vetted with the agency budget office and/or agency program office to adjust the encumbrance at the source module and prepare the transaction to be re-Budget Checked.

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Process Step ID	Process Step Title	Description of Process
		<ul style="list-style-type: none"> Transactions that error due to insufficient budget are assessed further to determine if the error is due to insufficient appropriation. If appropriation is insufficient, the Agency Budget Processor proceeds with initiating a request for a budget adjustment. If the error is not with the appropriation, the Agency Budget Processor makes changes to the budget allotments. If budget does not exist to cover the transaction, the Agency Budget Processor initiates a request for a budget amendment.
3	Modify Transaction	For transactions that produce COA coding errors, the Agency Processor reviews the transaction at the source module and, if necessary, contacts the agency budget office and/or agency program office to modify and prepare the transaction to be re-Budget Checked.
4	Error Due to Missing ChartField Details	For transactions that generate errors related to the ChartField value, attributes, or details, the Agency Processor follows the Set Up and Maintain ChartField Values Business Process to request the appropriate update or addition. Following the appropriate ChartField value action, the Agency Processor re-runs Budget Check on these transactions.
5	Create Budget Allotment (New, Adjust or Transfer)	The Agency Budget Processor along with the agency program, either creates, adjusts, or transfers allotments to resolve the insufficient Budget Check error.
6	Request Budget Adjustment	Transactions that produce insufficient appropriation errors or errors where a budget does not exist, the Agency Processor requests assistance from the agency budget office and agency program office to request a budget amendment.
7	Override Transaction	For cases where a transaction needs to be processed with insufficient budget, the agency notifies DFS to request an override to the transaction. The DFS Budget Maintainers with appropriate permissions, override the transaction and allow the transaction to continue its lifecycle through approval and posting. In these instances, the agency budget office maintains contact with the Executive Office of the Governor (EOG)/Office of Policy and Budget (OPB) and DFS.

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Ledger Impacts

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Budget Ledger	
	Commit Expenditures	Decreases Spending Authority Increases Encumbrance
	Liquidate Committed Expenditures	Decrease Encumbrance Increase Expenses
	Revenue transaction	Increase total estimated revenue Increase recognized and collected revenue

Reports

Report Number	Report Description	Report Frequency	Audience
R1	Budget Overview Inquiry - displays budget, encumbrance, expenditure and remaining spending authority balances with the capability to drill into transactions.	On Demand	DFS, Agency
R2	Budget Exceptions Report – displays budget exceptions and adequate reasons for the exceptions with the capability to drill into transactions.	On Demand	DFS, Agency

Terminology

Allotments –planned expenditures of State appropriations recorded by agencies in the State’s financial management system.

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

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

Budget Check – the method of verifying adequate appropriations available at the time of journal entry or payment. Budget Check values include: Valid Budget, Not Budget Checked, Error in Budget Check, and Warnings.

Encumbrance – an amount of budget committed for the payment of goods and services ordered but not yet received.

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Nonoperating Budget – nonoperating disbursement authority for purchase of investments, refunds, payments to the United States Treasury, transfers of funds specifically required by law, distributions of assets held by the State in a trustee capacity as an agent of fiduciary, special expenses, and other nonoperating budget categories, as determined necessary by the EOG and the chairs of the Senate and the House of Representatives appropriations committees, not otherwise appropriated in the GAA.

Releases – the method used for controlling the availability for use of an appropriation in which the amount of budget is identified (usually released quarterly in the case of general revenue and annually for trust funds and certain categories).

Reserves – a budgeted amount segregated from available appropriations and held until certain conditions set by the Legislature are met by an agency at which time they are released to the agency for their use.

Business Process Flow Diagrams

Please see 20.2 Budget Execution and Management located in the [D54 Standardized Business Processes > Working > Workstream A folder](#).