OSPB

**GOVERNOR'S OFFICE OF**
**STRATEGIC PLANNING AND BUDGETING**

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**MEMORANDUM**

**TO:** All State Agencies
Budget Contacts

**FROM:** John Arnold, Director
Governor's Office of Strategic Planning and Budgeting

D. Clark Partridge, State Comptroller
Department of Administration, General Accounting Office

**DATE:** August 5, 2014

**SUBJECT:** AFIS Budget Loading - FY15

All State agencies are required to load their FY15 budgets into the Arizona Financial Information System (AFIS) in a manner consistent with the way the agency's budget request is submitted to OSPB. We encourage all agencies to plan and prepare their AFIS budget loads as early as possible; however, the deadline for entering budgets into AFIS for FY14 will be August 29, 2014. The Governor's Office of Strategic Planning and Budgeting (OSPB) and the General Accounting Office (GAO) are available to discuss pertinent issues as State agencies load their FY15 budgets into AFIS.

A.R.S. §35-173 allows the Executive branch to move amounts between appropriations within an agency. If your agency needs to transfer resources from one appropriation to another, please submit a request to the GAO and copy your OSPB Analyst. It is critical that you coordinate all of these requests through your OSPB Analyst.

This memo provides information and instructions to agencies regarding the following topics:

- Budget loading hierarchy and program budgeting
- AFIS as a management tool
- Budget loading instructions – Submittal of GAO-511
- Agency Budget and Appropriation Allotments – Review of DAFR6230
- General Information

BUDGET LOADING HIERARCHY AND PROGRAM BUDGETING

Agency budgets should be loaded in a manner consistent with the way the agency's budget request is submitted to the OSPB pursuant to A.R.S. §35-113. Loading budgets at this detail level is also consistent with the applicable appropriation bills, which requires agencies with lump sum appropriations to report actual expenditures in a format similar to the hierarchy used for budgetary purposes. Although this request specifies a minimum level for budget loading, it does not restrict agencies from allocating their budget at lower operational levels than those used for budget submittal purposes. Indeed, it encourages such action.

## AFIS AS A MANAGEMENT TOOL

AFIS includes several on-line inquiry screens that enable agencies to track their budgets and appropriations by object of expenditure.

Screens currently available are:

**Expenditure/Operating Transfers & Encumbrances**

- Status of Appropriation by Org/Prgm (51)
- Status of Appropriation by PCA/Index (51B)
- Status of Fin Data by COBJ/CSRG - Org/Prgm (51C).
- Status of Fin Data by COBJ/CSRG – PCA/Index (51D)
- Status of Budget by Org/Prgm (52)
- Status of Budget by PCA/Index (52B)
- Status of Appropriation by Appn No (53)
- Status of Fin Data by COBJ/CSRG-Appn No (53C)
- Status of Grant (66A)
- Status of Project (80A)

**General ledger screens:**

- Status of General Ledger-Trial Balance (65A)
- Status of General Ledger Accounts (65B)

**Encumbrances/Pre-encumbrances & Receivables:**

- Status of Enc/Pre-Enc/Receivables (64A)
- Status of Receivables (64B)

**Revenue Screens:**

- Status of Revenue By Fund (63A)
- Status of Revenue By Appn No (63B)

**MIS Detail:**

- MIS Detail Trans Inquiry PCA/Index (84C)
- MIS Detail Trans Inquiry Org/Prgm (84B)
- MIS Detail Trans Inquiry Grant/Project (84D)

## BUDGET LOADING INSTRUCTIONS – SUBMITTAL OF GAO-511

As detailed above, FY15 budgets must be loaded in a structure similar to the one used for budgetary purposes for the FY15 budget cycle by line item of expenditure. For example, the Department of Agriculture submits its budget by program by fund. Therefore, the budget would be loaded by line item by program by fund.

The budget for an object can be entered using any comptroller object that rolls up to that object code. However, specific comptroller objects are available for this purpose. For example, the table below identifies the comptroller objects that may be used to roll up to each appropriate object code.

AFIS Budget Loading – FY 2015

| OBJECT | DESCRIPTION | COMPTROLLER OBJECT |
|---|---|---|
| 6000 | Personal Services | 6001 |
| 6100 | Employee Related Expenditures | 6101 |
| 6200 | Professional & Outside Services | 6201 |
| 6500 | Travel - In State | 6501 |
| 6600 | Travel - Out of State | 6601 |
| 6700 | Food | 6701 |
| 6800 | Aid to Organizations and Individuals | 6801 |
| 7000 | Other Operating Expenditures: | 7001 |
| 8100 | Capital Outlay | 8101 |
| 8400 | Capital Equipment | 8401 |
| 8500 | Non-Capital Equipment | 8501 |

**IMPORTANT: DO NOT LOAD YOUR BUDGET AS A LUMP SUM UNLESS PRIOR APPROVAL IS OBTAINED FROM THE OSPB DIRECTOR AND COMMUNICATED TO GAO.**

The amount loaded should not be limited only to the General Appropriations Act. Agencies must also include any supplemental bills or special legislation, which may have been enacted containing a separate appropriation. Please refer to the FY15 JLBC Appropriations Report for these amounts. The report can be found at: http://www.azleg.gov/jlbc/15AR/agencyindex.pdf. Budgetary information MUST be entered in a manner consistent with the way the agency's budget request was submitted to the OSPB. If an agency has difficulty determining the proper hierarchy and amount for budget loading, they should contact their OSPB analyst.

For those few agencies using agency objects for their expenditures, remember that an agency object is required to load line item budgets. However, be sure that they roll-up to the correct comptroller object.

Once your budget loading is developed, enter the information into AFIS. If your agency is off-line, submit your completed form GAO-511 (Appropriation/Agency Budget Transaction Form) to the Central Services Bureau (CSB) for processing. A copy of the form can be obtained at the GAO website at www.gao.az.gov. Be sure to code TC020 (or TC026 if Grant or Project budget is necessary) in the transaction code block. If you have any questions, you can contact your GAO liaison.

AGENCY BUDGET AND APPROPRIATION ALLOTMENTS – REVIEW OF DAFR6230

AFIS has been structured to allow agencies a set of controls through the "Agency Budget Allotment" while GAO maintains an additional set of controls through the quarterly "Appropriation Allotment". GAO is responsible for releasing appropriation transactions in AFIS and agencies are responsible for both entering and releasing agency budget transactions in AFIS. Each agency should verify that their budget agrees with the appropriation loaded for their agency and that the budget allotments match the appropriation allotments that have been allocated.

After the budget load transactions (TC020 or TC026) are posted in AFIS, the system will automatically generate Budget Allotment transactions (TC022) to allocate the budget into either twelve monthly or four quarterly periods. Following the completion of this process, GAO will distribute report DAFR6230 (Financial Planning & Revision - Agency Budget) to all agencies through Control-D/Control-D Web. This report needs to be carefully examined by agencies to ensure that the budget is fully and correctly recorded in AFIS and the monthly or quarterly allocation is appropriately done. If your agency is off-line or not able to access Control-D/Control-D Web, please contact your GAO liaison to request a copy of the report.

Your "Agency Budget Allotment" schedule should reflect anticipated spending patterns. Agencies have the flexibility to establish either quarterly or monthly allotments. For instance, you should allot extra monies in personal services and ERE in the three months or quarters where there are three pay periods during the month. Any other specific instances of expenditures that are not part of an average flow (i.e., risk management charges, COSF rent or lease-purchase rent payments) should be accounted for in your "Agency Budget Allotment". The "Appropriation Allotment" for all General Fund operating and lump sum appropriations is 30%, 22%, 22%, and 26% for quarters one through four respectively. All other appropriation allotments will default to 25% in each quarter unless otherwise requested and approved. Additionally, upon agency request, GAO will adjust the quarterly appropriation allotment to meet specific expenditure requirements as demonstrated within the agency's annual expenditure plan. Appropriations involving entitlements and mandated payments will be maintained at the historical allocation levels.

**Two important points to remember:**

1. Any time you make a change to your quarterly appropriation allotments using TC002, "Appropriation Allotment", you MUST make a corresponding change to your monthly or quarterly budget allotment using TC022, "Agency Budget Allotment", or TC023, "Agency Budget Allotment Decrease".

2. When you make an appropriation transfer using TC004, "Appropriation Transfer Out", TC005, "Appropriation Transfer In", TC007, "Appropriation Revision", or TC018, "Salary Adjustment - Increase", you MUST make a corresponding change to your budget using TC021, "Agency Budget Adjustment".

GENERAL INFORMATION:

In order to issue the August monthly reports with the budget information, all budgets are required to be in AFIS by the end of August 2014. Off-line agencies must submit information to CSB by August 15, 2014 to ensure they are loaded by the end of August. Once the budgets are loaded, agencies must code their expenditures in accordance with their loaded budget information.

Capital Outlay (Land, Buildings, and Infrastructure) will not require budget loading. Also, this memorandum does not affect agency budgets for non-appropriated Grants or Projects. However, budgets may be loaded and controlled for management purposes at the discretion of the agency.

Entering the budgets into AFIS in this manner will provide all concerned parties with much more meaningful management reports. Additionally, it will provide your managers with a better tool for budget monitoring and tracking. If you have any questions regarding any of the above matters or need the appropriate form, please contact the following individuals:

- Approved Appropriations: Your OSPB Budget Analyst at http://azospb.gov/contactus.asp or 542-5381
- Forms Preparation: Your GAO Liaison at 542-5601