



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF PLANNING AND BUDGET

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M E M O R A N D U M

TO: All State Agencies

FROM: Ray L. Stockstill
Director

DATE: July 26, 2005

SUBJECT: Expenditure Budget (EB) and Revenue Budget (RB) Adjustment Requests

As explained in the Office of Planning and Budget (OPB) memo of June 16, 2005, expenditure budget (EB) and revenue budget (RB) transaction control has been activated. **OPB analysts will now review and take action on all EBs and RBs entered into the Advantage Financial System (AFS).**

Because of the 45-day "close-out period" for FY04-05 transactions in AFS, agencies can continue to move funding between objects and categories for FY05 until August 15th. **Agencies are not required to submit justification for FY05 EB/RB transactions, but OPB must approve them in AFS before they will be processed.** Though OPB analysts will be checking daily for EBs/RBs pending OPB approval (i.e. those with PEND4 status), it is recommended that agencies contact their analysts after documents are entered into AFS to ensure timely processing of transactions.

As noted in the FY05-06 appropriation letter package, agencies have until August 30th to complete their initial budget spread in AFS. All agencies are encouraged, however, to complete their spread as soon as possible. **Agencies are not required to provide written justification for their initial spread of the FY06 budget; however, OPB analysts will compare the initial spread to the appropriated budget and require justification if significant realignment has occurred.** OPB may request reversal of any realignment for which sufficient justification is not provided. It is therefore in an agency's interest to ensure that its OPB analyst understands and agrees with any significant realignment before FY06 EBs/RBs are processed.

After August 30th, agencies will be required to submit the attached request form for any EB that realigns funding between expenditure categories. No written justification is required for EBs that realign funding between objects within a category; however, should an agency fail to exercise prudent judgment in realigning within categories, additional justification requirements may be imposed.

To ensure timely processing of all EB transactions, **an agency must email its OPB analyst, with a courtesy copy to his/her supervisor,** notifying them that an EB has been entered into AFS and is pending OPB approval. **Include the fiscal year, EB number, and brief description in the subject line of the email** (e.g. *Subject: FY06 EB# 123 - Realignment for*

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Equip Rental) and note in the message body if the EB realigns funding between expenditure categories. If justification is required, it must be attached to the email. OPB staff will contact you upon approval/disapproval of the request or if additional information is required.

For all RBs submitted after August 30th, an agency must email its OPB analyst, with a courtesy copy to his/her supervisor, and provide a brief explanation of the transaction. RBs should be submitted only to increase or decrease funding in accordance with approved BA-7s or to realign funding between the same means of financing (MOF) organizations.

OPB will perform reconciliations to ensure that all EBs/RBs have been justified appropriately. **If unexpected realignments between expenditure categories are identified in these reconciliations, OPB will require object-level justifications for all future EB/RB transactions from the offending agency. Also, if OPB finds questionable realignments within an expenditure category that an agency cannot sufficiently justify, OPB will require object-level justifications for all future EB/RB transactions from that agency.**

We appreciate your patience as we develop policies and procedures for this function and, as always, appreciate your constructive feedback. Should you have any questions or need additional assistance, please contact your OPB analyst.

RS/men

Attachments