




Mike DeWine, Governor
Jon Husted, Lt. Governor

Office of Budget and Management

Kimberly Murnieks, Director

Memorandum

To: Fiscal Officers of All Departments, Agencies, Boards and Commissions

From: Kimberly Murnieks, Director 

Subject: Fiscal Year 2021 GRF Disbursement Estimate Guidance

Date: July 30, 2020

Disbursement Estimates: Overview and Purpose

Each fiscal year, the Office of Budget and Management (OBM) engages with agencies receiving General Revenue Fund (GRF) appropriations to project monthly disbursements of GRF line items for the new fiscal year. GRF spending is tracked monthly to estimate cash flow throughout the fiscal year and to assist OBM budget analysts and the Administration in identifying potential programmatic or budgetary issues. It is your agency's responsibility to develop disbursement estimates for FY 2021 and submit them to your assigned OBM budget analyst by **August 14, 2020**. Prompt submissions are required to ensure sufficient time for review and approval prior to the September Monthly Financial Report. Agencies should use July actual spending amounts as the July estimates.

As was the case in FY 2020, OBM will request that certain agencies provide an estimate of FY 2021 disbursements for select non-GRF funds. The process that agencies should follow in developing these non-GRF estimates is the same as the process used to develop the GRF estimates and they should be submitted on the same timeline. Again, this additional requirement does not apply to all agencies, and those agencies to which it does apply will be contacted by their OBM budget analyst in the next several days to discuss the process.

Estimates Should Reflect the Most Current Information

Each agency's assigned budget analyst will provide agency control amounts (i.e., FY 2021 appropriations excluding current holding amounts plus prior year encumbrances) that agencies should use in constructing their estimates. If your agency is unclear on the amounts to use in constructing your non-debt service estimates, contact your assigned OBM budget analyst for clarification. Debt service estimates will be developed separately by the OBM Debt Management team.

Practices to Follow

OBM recommends that agencies consider the following factors or issues in the development of disbursement estimates:

- Disbursement estimates should align with your agency's FY 2021 allotment plan. For instance, the allotment guidance stated that there will be seven pay periods in the second and fourth quarters of FY 2021. This corresponds to three pay periods in



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October and May of FY2021.

- Spending should be distributed as evenly as possible throughout the fiscal year. It is the agency's responsibility to ensure that estimates are both realistic and help maintain flexibility in the management of the GRF. Estimated and actual spending should not be "frontloaded" in the fiscal year unless specifically directed in statute or temporary law.
- Ensure that you do not plan consistently large payments in the first month or first quarter for each line item. Agencies will be required to justify estimates structured in such manner by citing the relevant provision in law directing such frontloaded payments.
- Include monthly estimates of the disbursement of both current year appropriations as well as prior year encumbrances and be prepared to document the assumptions behind the estimated disbursement of each. Be realistic but conservative in estimating lapses, taking into account the difference between prior year and current year appropriations.
- Ensure that all legal requirements for specific expenditures are met.
- Review prior year estimates and actual spending to understand and reflect actual spending patterns (but remember that the payroll pattern may differ from year to year with respect to the number of pay periods per month and quarter).

Preparation of Spreadsheets

The provided GRF disbursement estimate template includes the following fields:

- Estimated monthly disbursement amounts.
- Estimated fiscal year-end encumbered amounts.
- Estimated lapse amounts.
- Notes explaining the disbursement pattern for each line item. Use of this field will greatly facilitate the review and approval process. This is included on a separate worksheet on the same file.

Timeline

The timeline for the disbursement process is as follows:

- July 30, 2020: Disbursement guidance distributed to agencies.
- August 14, 2020: Agency disbursement plans due to OBM.
- August 14 – August 31, 2020: OBM review and consultation with agencies.
- September: Disbursement estimates first published in the Governor's Monthly Financial Report.

Agencies must submit the completed GRF disbursement estimates spreadsheets to their assigned OBM Budget Analyst no later than August 14, 2020.