

H.B. 171 and S.B. 172 Interim Budget Frequency Asked Questions

This document represents the most common questions that the Office of Budget and Management has received to date regarding the enactment of Senate Bills 171 and 172, the interim budget bills. This document will be updated as needed throughout this interim period. Of course, feel free to contact your assigned OBM budget analyst at any time.

General

Q: I am not sure I understand when my agency should request an increase in appropriation from the OBM Director.

A: The interim budget appropriated to each agency an amount equaling 100% of 1/22 of each item's expenditure levels for the 2019 fiscal year – essentially the amounts that should be sufficient to support continued operations for 17 days (31 days for BWC). Other than some specific appropriation items requiring more detailed appropriation, the interim budgets authorized the OBM Director to adjust appropriation amounts sufficient to make payments that were: (1) not otherwise authorized in the interim bill; and (2) in support of mission critical functions.

Allotment journals were posted to allot the interim appropriation amounts into the payroll account (500Q1) for most line items. Allotments were made to the subsidy account (550Q1) if a line item did not typically have payroll expenditures. Fiscal staff may request allotment adjustments through FIN budget transfers in the usual manner.

So if, after reviewing current allotments, you determine that your agency requires additional appropriation for a mission-critical purpose, you can submit a request through the OBM Director Memo Portal with a description of the payment, an explanation of why the expenditure is critically necessary between July 1 and July 17, 2019 (or, in the case of BWC, July 31, 2019), and a justification detailing how the payment supports a required agency mission.

Appropriation

Q: If my agency was appropriated in the Transportation or Industrial Commission Budget, how am I impacted?

A: Appropriation that was approved as part of the Transportation Budget bill (H.B. 62) or the Industrial Commission bill (H.B. 79) has been loaded into OAKS FIN and there should be no impact for operating expenditures authorized by those appropriations. Capital appropriations and expenses approved in the Transportation Bill will become

available July 3. Agencies must follow the guidance for the interim budget process (regarding S.B. 171 and S.B. 172) for any appropriation line items that appear in the Main Operating Budget bill (H.B. 166) or Workers' Compensation bill (H.B. 80).

Q: If additional appropriation is needed for the administration of federal grant funds, as grant recipients draw down funds, can agencies consider this a mission-critical purpose and request additional appropriation?

A: Agency directors should exercise judgment when considering a request for the Director of OBM to authorize additional appropriation for a mission critical payment under division (B)(6) of S.B. 171. Additional appropriation will not be granted without a well-reasoned explanation of the imperative nature of making a payment within the interim budget period to support the agency's legal obligations.

Q: Does the interim budget provide appropriation for debt service?

A: Yes. Debt service is fully appropriated in both fiscal year 2020 and 2021 and available to make necessary debt service payments.

Payment Processing

Q: Can I continue to send my invoices to OBM Shared Services for processing?

A: During the interim budget, OBM will continue to process vouchers. Agencies should be careful in only approving vouchers that are mission critical and that they wish to pay.

Q: Can I continue to process my invoices for payment in OAKS FIN?

A: Appropriate staff can continue to process invoices in OAKS FIN. Vouchers referencing prior fiscal year encumbrances will not be impacted; however, agencies should be mindful to approve only those that are determined by agency leadership to be mission critical for the duration of the interim budget.

Q: How will Electronic Data Interchange (EDI) vouchers be processed during the interim budget?

A: EDI vouchers are already built and will be in recycle status until the agency codes and approves them. Agencies should only process those vouchers that they wish to have processed as mission critical, otherwise they should leave them on the Voucher Build page.

Q: Regardless of the payment method (i.e., payment card, EDI, travel, voucher, e-Settlement, ISTV, etc.), how will using a fiscal year 2019 purchase order impact my agency's authorized appropriation in the interim budget?

A: If the transaction references the prior year encumbrance, it will come from the prior year funds and will have no impact on your fiscal year 2020 appropriation authorized in the interim budget and will have continued spending authority as a prior year encumbrance. As always, prior year encumbrances are available for spending only for the purposes of discharging those encumbrances.

Payment Card

Q: My agency approved payment card transactions during year-end close, will these be paid using the fiscal year 2020 interim budget authority?

A: Agency fiscal staff should reconcile and approve payment for purchases made in fiscal year 2019 within the interim budget appropriation authority. Agency transactions that were approved last week built toward vouchers during OAKS FIN batch processing during the evening of July 1, 2019. Moving forward, agency CFOs should be mindful when using the payment card during the interim budget period to ensure that the use of the payment card aligns with spending priorities outlined in the interim budget and as necessary to fulfill essential agency operational needs.

Q: Should agencies direct their payment card holders to discontinue use of their payment card during the interim budget?

A: During the interim budget, agency staff should be mindful when using payment cards to ensure that the purchases made align with spending priorities outlined in the interim budget and are necessary to fulfill essential operational needs. Agency CFOs may request the OBM Payment Card Administrator to suspend cards if they are concerned about their use.

Purchase Orders

Q: How will previously entered fiscal year 2020 Purchase Orders (P.O.s) be handled?

A: Fiscal year 2020 Purchase Orders that were entered prior to the interim budget will be updated with a fund code of "ZZZZZ" to cause a budget error. If the P.O. is Mission Critical, the agency must make the following changes on each of the P.O.'s distribution lines in OAKS FIN:

- a. Navigate to *Purchasing > Purchase Orders > Maintain Distributions* and enter the PO ID to search for and select the P.O. Distribution Line
- b. Change the Fund from "ZZZZZ" back to the appropriate code (which was moved to the Fund Affiliate field)
- c. Delete the value listed in the Fund Affiliate field and Save the transaction
- d. Repeat steps b and c for each distribution line on the P.O.

Q: When encumbering funds for mission critical expenditures as part of a contract that has been executed for the full fiscal year, how should I enter a purchase order?

A: Agency leaders and staff should use discretion when entering purchase orders for mission critical expenditures. Please remember that you are not required to enter the purchase order for the full contract amount, but rather can enter the purchase order for the amount authorized in the interim budget.

Q: How will newly entered requisitions and POs be handled?

A: Agency staff can continue to create requisitions for fiscal year 2020. However, you should be mindful to only approve requisitions which are Mission Critical at this time. OAKS FIN will not stop new requisitions from sourcing to PO and running through budget check.

Travel

Q: How can an agency fiscal office manage travel during the interim budget?

A: Travel expense reports that reference an approved Travel Authorization from the prior fiscal year will be processed if the coding on the expense report is not changed or the expense report does not exceed the original approved Travel Authorization. Agencies should be aware that if a budget transfer moves funds to the coding on a travel expense report, then the accounting system may automatically pay the transaction. Agency fiscal staff should use the five-day waiting period to change coding to manage those that are mission critical.

Q: I have an employee with travel scheduled in mid-July. Should I approve the travel authorization?

A: If the travel is essential to a mission-critical function, agency managers and leaders can pre-approve travel at your discretion and subject to the provisions of the travel rule. However, you should be mindful of available appropriation limits and any cancellation policies by the airline/hotel/etc. that may exist.

Revenue

Q: Are revenue transactions impacted by the interim budget?

A: You should process revenue as you normally do. Funds that are created in H.B. 166 are not in effect until the bill passes, thus revenue must be deposited the fund the revenue would have otherwise been credited to absent the creation of the new fund in H.B. 166.

Hiring

Q: What about offers to new candidates that have been extended and accepted and the candidate is going through the background check?

A: Subject to the successful completion of a background check and receiving all other required approvals, continue with the hiring process. However, you may consider exercising discretion in establishing a start date where flexibility to do so exists.

Q: If employment has been offered already, must the offer be withdrawn? Where is the line between what goes forward and what stops for hiring?

A: Agency leaders should honor offers of employment that were extended before July 1, 2019. On July 1 and after, please refrain from extending offers to new employees unless the position is considered mission critical.