BUDGET REVISIONS

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108.1 GENERAL POLICY

As part of the Child Care Information Services (CCIS) Grant Agreement, CCISs are required to prepare budgets to help administrate the grant amounts used to operate the CCIS and provide service. CCISs may be required to revise budgets to assure efficient use of available funds. The information in this chapter contains direction and procedures for revising these budgets. See CCIS Grant Agreement.

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108.2 DEFINITIONS & ACRONYMS

See Manual "101 – Definitions & Acronyms" for a complete, alphabetical listing of definitions and an alphabetical table of acronyms.

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108.3 GOALS & OBJECTIVES

See Manual Section "108.9.1 – Goals" and Manual Section "108.9.2 – Objectives"

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108.4 OCDEL RESPONSIBILITIES

The following establishes the responsibilities of The Office of Child Development and Early Learning (OCDEL).

OCDEL will be responsible for supporting the CCIS agency Budget Revision efforts through the following activities:

1. Provide the templates for all applicable Budget Revisions. (Low Income, Former Temporary Aid to Needy Families (TANF), TANF (Single Office) and TANF (Joinder)). The templates will include a Justification Narrative tab to provide more information, as necessary, regarding why the budget revision is being requested.

2. Provide the CCIS with correct information when funds are shifted, added to or deducted from any of the current Low Income, Former TANF or TANF budget allocations for Service and/or Administration/Family Support Services (FSS).

3. Review Budget Revisions for approval or denial.

4. Collect the formal Budget Revisions (Headquarters (HQ) -initiated and CCIS-initiated) to review for accuracy and completeness.

5. Send a revised copy of the Budget Revision back to the CCIS if pen and ink changes are made by OCDEL HQ.

6. Forward a copy of the Budget Revision to the Comptroller's Office along with the monthly CCIS invoices.

7. File the original, signed copy of the Budget Revision at OCDEL HQ.

See Manual Section "108.9.3.1 Questions – Manual Section 108.4 – OCDEL Responsibilities"

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108.5 CCIS RESPONSIBILITIES

The following establishes the responsibilities of the CCIS.

The CCIS will:

1. Prepare a Budget Revision when funds are shifted, added to or deducted from any of the current Low Income, Former TANF or TANF budget allocations for Service and/or FSS.

2. Submit a written request for a Budget Revision using the Justification Narrative tab in the Budget Revision template when desiring to reallocate funds within the operational or fixed asset budget categories. See Manual section "108.6.1 – Budget Revision Review Process".

   a. Limit the "Indirect Costs" line item in FSS to no more than 2% of the funding source total allocation.

   b. Limit the "Uncollected Overpayments" line item in FSS to no more than 1% of the funding source Service allocation. See CCIS Grant, Rider 2.

      i.e. CCIS is not required to budget for "Uncollected Overpayments".

c. Include justification only for the line items that meet the +/- 10% change threshold.

d. Include written justification when requesting to add new line items to the FSS budget, unless directed to do so by OCDEL HQ.

3. Review all Budget Revisions for accuracy and completeness.

   NOTE: If an error is found in a previously submitted Budget Revision, a Budget Revision with corrective changes must be submitted. The updated Budget Revision should have *"Corrected" or "Revised" Budget Revision #___* in the title. Submitting a corrected budget revision enables the Comptroller's Office to track any changes made to the grant allocation.

4. Submit the Budget Revisions to OCDEL in a timely manner.

5. Make the appropriate modifications to the "Administration/Family Support Services Budget Detail" page in PELICAN Child Care Works (PELICAN CCW) upon notification that the Budget Revision is approved.

   a. The "Administration/Family Support Services Budget Detail" page will be locked after each fiscal quarter according to the schedule shown below. The lock occurs when the monthly invoice batch process runs – on or near the 24th of each month.

Service Month	FSS Expenditure Lock Month:
July	November
August	November
September	November
October	February
November	February
December	February
January	May
February	May
March	May
April	August
May	August
June	August

   b. All FSS budget changes for a fiscal year must be entered into PELICAN CCW by August 24 – following the end of a fiscal year, unless otherwise directed by OCDEL HQ.

See Manual Section "108.9.3.2 Questions – Manual Section "108.5 – CCIS Responsibilities"

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108.6 HQ-INITIATED BUDGET REVISIONS

The information in this section contains direction and procedures for HQ- initiated budget revisions.

CCISs must complete a Budget Revision as directed by HQ when funds are shifted, added to or deducted from any of the current Low Income, Former TANF or TANF budget allocations for Service and/or FSS. Written justifications are not required for HQ-initiated Budget Revisions.

See Manual Section "108.9.3.3 Questions – Manual Section "108.6 – HQ-Initiated Budget Revisions"

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108.6.1 Budget Revision Review Process

The CCIS is responsible to do the following when submitting a Budget Revision for review, and potential approval:

1. Verify the correct Grant number in the upper right corner of the Budget Revision by cross-checking it with the identification number found on the current Grant document.

   The grant or contract number will change each year (I.e. in Fiscal Year 2008-2009, the number will be DC08……. In Fiscal Year 2009-2010, the number will be DC09…….).

2. Confirm the accuracy of the Fund name and the Budget Revision number.

   NOTE: When correcting a Budget Revision that has already been reviewed, submitted and approved, the term "CORRECTED" or "REVISED" must precede the original Budget Revision number.

3. Verify two original signed and dated Budget Revisions have been submitted to the Coordinator within the stated deadline - One copy is to be kept by the Coordinator; one copy to be sent to HQ.

4. Verify the accuracy of each line item in the "Budget Category" column by cross checking the line item amounts in the "Current Budget" column of the Budget Revision under review, with the original line item budget numbers found in the Grant (only in the case of the first revision for each budget) or the line item amounts in the "Revised Budget" column from the last approved Budget Revision.

5. Examine the "Change" column for number accuracy, line placement and correct column calculations.

   NOTE: For HQ-initiated allocation changes, confirm the amount provided by the Subsidy Coordinator with the amount entered in the "Change" column.

6. Perform calculations across each line item to arrive at the total in the "Revised Budget" column, starting with the "Current Budget" column. If there is no new data on the line item in the "Change" column, the Current and Revised Budget line items will be the same. Calculations should be performed for any positive or negative dollar amounts appearing in the "Change" column for each line item and verified as correct in the "Revised Budget" column.

7. Check the calculations for each vertical column: "Current Budget," "Change" and "Revised Budget" for accuracy.

   NOTE: The "Change" column of the last two "Budget Category" line items, ("Total Service" and "Total Budget") should show a balance of zero unless additional funds are being allocated or existing funds are being deducted by the CCIS.

   NOTE: Negative numbers should always be shown using parenthesis ( ), and amounts greater than $999.99 should include commas as appropriate.

8. Sign and date the two original Budget Revisions and forward to the Subsidy Coordinator. The CCIS/grantee will decide who, within the CCIS, has the authority to sign the budget revisions as the CCIS Representative. Retain a copy; electronic is recommended with a hard copy as a back up.

See Manual Section "108.9.3.4 Questions - Manual Section "108.6.1 – Budget Revision Review Process"

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108.7 CCIS-INITIATED BUDGET REVISIONS

The information in this section contains direction and procedure concerning CCIS-initiated budget revisions.

108.7.1 CCIS-Initiated Budget Revision

CCIS Grant Agreement Rider 1, Payment Provisions, states:
At any time during the fiscal year, the Grantee can reallocate funds within the operational or fixed asset categories without the Department of Public Welfare's (DPW) *prior written approval providing it does not exceed 10% of the original line item budget. If it does exceed 10%, that line change and all future changes to that line item must be submitted for prior written approval. In order to obtain prior written approval, the Grantee must submit a budget revision along with justification to the DPW. This 10% budget reallocation policy does not include the following areas where the Grantee* ***must always*** *obtain prior approval from the Department: increases to any salary line item not related to overtime or new hires; expansion of staff complement; increases to occupancy costs (not related to utilities); purchases of computers; and capital improvements or renovations. If prior written approval is not warranted based on the 10% budget reallocation policy, the Grantee may enter the changes in the PELICAN CCW FSS Budget.* See CCIS Grant Agreement, Rider 1

Advance, written approval from OCDEL is always required when the CCIS desires to make FSS changes that meet the following criteria:

1. Increasing a line item, at any time during a fiscal year, for which the cumulative to-date adjustment meets/exceeds plus or minus (+ / -) 10% of the original budgeted amount, as defined in the CCIS Grant Agreement, and documented in PELICAN CCW.

2. Adding a new budget line item not specified in the original budget that is attached to the Grant Agreement.

3. Increasing the salary line item for any CCIS employee.

4. Expanding staff complement or increasing full- or part-time equivalencies.

5. Increasing the occupancy line item (unrelated to utilities).

6. Increasing a line item to purchase desktop computers, laptop computers, printers, copiers or other peripheral equipment.

7. Increasing a line item for capital improvements or renovations.

The written request for approval for these types of changes is to be submitted to the Subsidy Coordinator via e-mail using the Justification Narrative tab in the Budget Revision template. The Subsidy Coordinator will consider budget revisions only when all of the necessary information has been submitted. Requests must include the following:

1. Completed draft Budget Revisions for the affected funds.

2. Narrative explaining, as appropriate:

   a. The line items affected.

   b. The total amounts to be shifted and the percentages of the originally budgeted figure the amounts represent.

   c. The purpose of the shifts.

   d. Impact on agency caseload ratios.

   e. Information on any local mandates or presence of union issues.

   f. If staff salaries are being increased, the percentage of the raise.

   g. If staff classifications are changing, a description of new duties or responsibilities.

   h. If renovating or upgrading an operational (i.e. communications) system, at least two quotes or estimates for the proposed work.

3. When request is to modify staff classifications or complement (e.g. change 1 full-time equivalency (FTE) to 2 part-time employees), a revised FTE sheet and Office Organization chart.

See Manual Section "108.9.3.5 Questions - Manual Section "108.7.1 – CCIS-Initiated Budget Revisions"

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108.7.2 OCDEL Budget Revision Review Process

The following outlines the process used by OCDEL to review requested Budget Revisions for denial or approval:

1. Within two business days of receiving the requested Budget Revision, the Subsidy Coordinator reviews the request, contacts the CCIS if additional information is needed and informs the CCIS immediately of request denial or request referral to HQ for review.

2. When a request is denied, the Subsidy Coordinator will issue an e-mail or letter to the CCIS denying the request and explaining the reason for the denial.

3. When a request is referred to HQ for review and approval, the Subsidy Coordinator will, within 3-5 business days, issue an e-mail or letter to the CCIS either:

   a. requesting additional information,

   b. approving the request, or

   c. denying the request with an explanation of the reason for the denial.

4. Upon approval from the Subsidy Coordinator, the CCIS will forward the final, signed Budget Revisions to the Subsidy Coordinator.

5. When applicable, the CCIS will make the appropriate modifications to the "Administration/Family Support Services Budget Detail" page in PELICAN CCW.

   a. The most recent approved Budget Revision FSS budget must be reflected in PELICAN CCW prior to the next scheduled monthly invoice batch process.

   b. The monthly invoice batch typically runs the evening of the 24th each month. This date is subject to change based on holidays and other factors.

See Manual Section "108.9.3.6 - Questions - Manual Section "108.7.2 – Budget Revision Review for Approval Process"

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108.8 YEAR-END BUDGET REVISIONS

The information in this section contains direction concerning the budget revisions prepared for the Recap packet. See Manual "111 – Recaps", Section "111.5 – CCIS Responsibilities"

1. Budget Revisions included in the Recap Packet must be approved and signed by OCDEL staff PRIOR to being sent to OCDEL HQ.

2. OCDEL HQ must be informed if Uncollected Overpayments amount to more than 1% of the Service allocation amount. See Manual "109 – Funds Management", Section "109.5 – CCIS Responsibilities" and Manual "111- Recaps", Section 111.5.1 – Process for Reporting Revenues"

3. If a Carry Forward amount is necessary to completely pay the CCIS (See Manual 111, Section 111.5.4 – Carry Forward Process), one or more budget revisions will be required – depending on the funding source(s) in which funds are owe the CCIS. If a Carry Forward is necessary, details will be supplied by HQ. The Carry Forward amount will be incorporated into the budget revision under the "Other- Carry Forward" line.

   NOTE: The FSS expenditures for the Carry Forward line should be entered into PELICAN CCW per direction from HQ. See Manual "109 – Funds Management", Section "109.7.2 – FSS Budget Updates".

NOTE: Budget Revisions can be submitted to OCDEL until the CCIS has completed its independent/single audit for a fiscal year – even after the submission of the year-end Recap package. OCDEL does not close its books until October 31. It is strongly suggested that the CCIS schedule only preliminary audit procedures for its independent/single audit until after this date. It may be necessary for OCDEL to initiate budget revisions after the Recap to change the Service and/or FSS allocations in order to make supplemental payments. The Budget Revision submitted with the year-end Recap package does not necessarily need to be the final revision for the fiscal year. See Manual "111 – Recaps", Section "111.5 – CCIS Responsibilities"

See Manual Section "108.9.3.7 - Questions - Manual Section "108.8 – Year-End Budget Revisions"

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108.9 TRAINING GUIDE

This section contains information pertinent to training the Budget Revision Manual Section. The following subsections contain the goals and objectives of the manual section, as well as helpful question and answer checkpoints.

108.9.1 Goals

The information in this section contains the goals with regard to submitting Budget Revisions to OCDEL.

The following are the goals of this manual section:

1. To complete revisions to the Low Income, Former TANF and TANF budgets.
2. To submit correct, accurate Budget Revisions to OCDEL HQ.

108.9.2 Objectives

The information in this section contains the goals with regard to submitting Budget Revisions to OCDEL.

The following are the objectives of this manual section:

1. To understand OCDEL's responsibilities in the budget revision process.
2. To understand the CCIS's responsibilities in the budget revision process.
3. To understand the budget revision process.
4. To understand how to submit a budget revision when directed to do so by OCDEL HQ.
5. To understand how to submit a budget revision reallocating funds within operational or fixed asset categories, and when OCDEL HQ approval is needed.

Return to Manual Section "108.4 - OCDEL Responsibilities"

Return to Manual Section "108.5 - CCIS Responsibilities"

Return to Manual Section "108.6 – HQ-Initiated Budget Revisions"

Return to Manual Section "108.7 - CCIS-Initiated Budget Revisions"

108.9.3 Section Checkpoint Questions

The Policy and Operations Divisions of the Bureau of Subsidized Child Care Services developed the following questions as a checkpoint to ensure comprehension of the information presented within this section. Upon review of the information within this section, CCIS staff should be able to answer all of the questions listed below.

108.9.3.1 Questions – Manual Section "108.4 – OCDEL Responsibilities"

1. OCDEL supports the CCIS agency Budget Revision efforts by:

   a. Providing the templates for all applicable Budget Revisions.

   b. Reviewing Budget Revisions for approval or denial.

   c. Forwarding a copy of the Budget Revisions to the Comptroller's Office along with the monthly payment invoices.

   d. Filing the original, signed copy of the Budget Revision at OCDEL HQ.

   e. All of the above.

See Answers

108.9.3.2 Questions – Manual Section "108.5 – CCIS Responsibilities"

2. The following are the responsibilities of the CCIS except:

   a. Preparing a Budget Revision when funds are shifted, added to or deducted from any of the current Low Income, Former TANF or TANF budget allocations for Service and/or FSS.

   b. Forwarding a copy of the Budget Revisions to the Comptroller's Office along with the monthly payment invoices.

c. Making the appropriate modifications to the "Administration/Family Support Services Budget Detail" page in PELICAN Child Care Works (PELICAN CCW) upon notification that the Budget Revision is approved.

d. Adding Interest Earnings amounts to the Service allocations, as appropriate, in conjunction with the year-end Recap.

3. TRUE OR FALSE. The Budget Revision submitted with the year-end Recap package is always the final revision for the fiscal year.

See Answers

108.9.3.3 Questions – Manual Section "108.6 – HQ-Initiated Budget Revisions"

4. TRUE OR FALSE. CCISs must complete a Budget Revision as directed by HQ when funds are shifted, added to or deducted from any of the current Low Income, Former TANF or TANF budget allocations for Service and/or FSS.

See Answers

108.9.3.4 Questions - Manual Section "108.6.1 – Budget Revision Review Process"

5. OCDEL is responsible for which of the following when a CCIS submits a Budget Revision for review, and potential approval:

a. Confirming the accuracy of the Fund name and the Budget Revision number.

b. Verifying two original signed and dated Budget Revisions have been submitted to the Coordinator within the stated deadline.

c. Examining the "Change" column for number accuracy, line placement and correct column calculations.

d. Checking the calculations for each vertical column: "Current Budget", "Change" and "Revised Budget" for accuracy.

e. None of the above.

See Answers

108.9.3.5 Questions - Manual Section "108.7.1 – CCIS-Initiated Budget Revisions"

6. TRUE OR FALSE. Advance, written approval from OCDEL is always required when the CCIS desires to make FSS changes.

See Answers

108.9.3.6 Questions - Manual Section "108.7.2 – Budget Revision Review for Approval Process"

7. TRUE OR FALSE. The most recent approved Budget Revision FSS budget must be reflected in PELICAN CCW prior to the next scheduled monthly invoice batch process.

See Answers

108.9.3.7 Questions – Manual Section 108.8 – Year-End Budget Revisions

8 TRUE OR FALSE. Budget Revisions included in the Recap Packet must be approved and signed by OCDEL staff PRIOR to being sent to OCDEL HQ.

See Answers

108.9.4 Section Checkpoint Answers

The Policy and Operations Divisions of the Bureau of Subsidized Child Care Services provided the answers to all the questions asked in Manual Section "108.6.3 – Section Checkpoint Questions".

108.9.4.1 Answers – Manual Section "108.4 – OCDEL Responsibilities"

1. e. – All of the above.

Return to Manual Section "108.4 – OCDEL Responsibilities"

108.9.4.2 Answers – Manual Section "108.5 – CCIS Responsibilities"

2. b. – Forwarding a copy of the Budget Revisions to the Comptroller's Office along with the monthly payment invoices. This is an OCDEL HQ responsibility.

3. FALSE. – Budget Revisions can be submitted until the CCIS has completed its independent/single audit for a fiscal year.

Return to Manual Section "108.5 – CCIS Responsibilities"

108.9.4.3 Answers – Manual Section "108.6 – HQ-Initiated Budget Revisions"

4. TRUE.

Return to Manual Section "108.6 – HQ-Initiated Budget Revisions"

108.9.4.4 Answers - Manual Section "108.6.1 – Budget Revision Review Process"

5. e. – None of the above.

Return to Manual Section "108.6.1 – Budget Revision Review Process"

108.9.4.5 Answers - Manual Section "108.7.1 – CCIS-Initiated Budget Revisions"

6. FALSE. – Approval from OCDEL HQ is not required when the change is less than 10% of the original line item budget.

Return to Manual Section "108.7.1 – CCIS-Initiated Budget Revisions"

108.9.4.6 Answers - Manual Section "108.7.2 – Budget Revision Review for Approval Process"

7. TRUE.

Return to Manual Section "108.7.2 – Budget Revision Review for Approval Process"

108.9.4.7 Answers – Manual Section 108.8 – Year-End Budget Revisions

8. TRUE.

Return to Manual Section 108.8 – Year-End Budget Revisions