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June 30, 2021

TO: Agency CFO's and Fiscal/Finance Directors

FROM: Kurt Stolzenbach, Assistant Director, DBM

SUBJECT: Agency Amendment Guidance

Greetings Everyone,

Please find the following guidance for the submission of budget amendments using the BARS system. Please note that this process does not apply to closing amendments at this time.

Agency-Facing Process - Non-Closing Amendments (i.e. before June 1)

(A) Prior to BARS.

As agencies consider processing amendments throughout the year, they should reach out to their OBA analyst first to discuss the item and receive guidance where necessary. Clarifying issues prior to BARS saves agencies from pushing amendments that will not happen or will be combined later. Agencies are strongly encouraged to avoid processing amendments in the fall, as both the Administration and Department of Legislative Services prefer that adjustments be made to the appropriation through the deficiency/budget bill process.

Before submitting an amendment in the fall through February, agencies should consider the following:

1. Has the agency expended all of its appropriation authority and thus needs additional appropriation authority? Does the agency project it will expend its full appropriation authority before April?
2. If the full appropriation authority will not be expended before April, could the request be a deficiency instead of a budget amendment? Deficiencies are also submitted through BARS but are wrapped up in the overall budget submission and considered as part of the Governor's budget deliberations in the fall. Separate guidance is available on submitting deficiencies in BARS.
3. Does the agency have a history of underutilized special fund and/or federal fund appropriation authority? If so, can appropriation be realigned across programs instead of being increased through the budget amendment process?

Few amendments increasing the appropriation will be processed in the first half of the fiscal year. Note that deficiencies can be added to the budget bill during session via supplemental, so talk to your OBA analysts about that option before processing an amendment during the first half of Legislative Session.

Before submitting an amendment after February but prior to June 1, agencies should consider the following:

1. Has the agency expended all of its appropriation authority and thus needs additional appropriation authority? Does the agency project it will expend its full appropriation authority before June when a closing amendment is processed? If not, please combine it into the closing amendment.
2. Does the agency have a history of underutilized special fund and/or federal fund appropriation authority? If so, can appropriation be realigned across programs instead of being increased through the budget amendment process?
3. Does the agency require an increase in appropriation by fund type ? If so, the agency should submit these amendments as soon as possible and not wait until closing to process if the amendment requires Board of Public Works and/or DLS Review.

At all times of the year, please merge amendments where possible. One amendment can accomplish multiple purposes, whether it be (a) realigning general, special, or federal funds and/or (b) adding special or federal funds. Only reimbursable funds cannot be combined with other types of amendments.

(B) Agencies in BARS.

Agencies will submit their amendment request through BARS. During that process, automatic BA#s are generated and they can run draft hard copy amendments via Reports in BARS if they like but there will be a watermark for them showing that it is a draft. If agencies need help submitting the BA in BARS, their OBA analyst is their first and main support at DBM. See separate user guide that provides detailed steps in BARS.

(C) Agencies after BARS.

Once the adjustment is submitted to OBA, agencies email the Budget Processing Team (BPT) (DLBudgetHelp_DBM@maryland.gov) and OBA analyst notifying them that an amendment has been submitted. In that email, explain why the amendment is needed now and attach any important documentation such as MOUs for reimbursable amendments.

OBA will decide whether the amendment is approved for processing. Similar to DA-28s of the past, some agencies will be asked to combine the amendment with amendments in the second half of the year. Some amendments will be processed instead as deficiencies.

If the amendment is approved for processing, BPT will follow up with the agency to obtain signatures for the amendment and DBM will push the amendment through the remainder of the approval process (BPW, DLS, Governor, etc.). Agencies will be notified by BPT whether or not the amendment will be processed.

See Appendix A- DLS and BPW Review Requirements

Agency-Facing Process - Budget Amendments In Process (BAP) (Approved in FMIS after June 1)

Agencies are encouraged to focus on completing FMIS end-of-year closeout. Due to their complexity and timing, BAP closing amendments will be processed outside of BARS using the former paper-based methodology. In most cases, these amendments should only be for realigning appropriation.

1. Agencies should use the traditional budget amendment template forms provided by Angela Miller (Angela.miller@maryland.gov). If you do not have this file, please contact either Angela Miller or your assigned OBA budget analyst.
2. Agencies are encouraged to limit the number of budget amendments (GF, SF and FF) by combining the amendments across fund types. Only RF amendments must be separate.

3. Common issues with agency amendment submissions:
 - a) Use whole numbers and do not include cents.
 - b) Please submit BAs to DBM in agency order.
 - c) Include the fund source for non-general fund types.
 - d) First tab- the starting and ending column totals should reconcile.
 - e) First tab- the increase and decrease column totals should reconcile.
 - f) Federal award letters should be included with federal funds in order for DLS review.
 - g) MOUs should be included for reimbursable funds.
4. When agencies are ready to submit their BAs, but before they finalize with signatures, they should submit their BAP for DBM review to assure starting balances are correct.
5. Submit the BA thru email to BPT (dlbudgethelp_dbm@maryland.gov), and cc your assigned budget analyst.
6. Once BPT confirms that the amendment is ready, agencies should complete the forms and can use electronic signatures.
7. While agencies are encouraged to submit BAPs asap, agencies should submit BPAS no later than 7 business days after their closing package is submitted to GAD.
8. DBM would like to wrap-up the FY 2021 budget amendment processing **by September 30th** so we will be following up with agencies to monitor your closing status.

Please feel free to reach out to the Budget Processing Team or your assigned analyst for any assistance.

DBM will be processing a high volume of amendments at the end of the fiscal year. Therefore, agencies are encouraged to combine amendments as reasonably possible to reduce the number of amendments to be processed.

Thank you for your attention to this matter. If you have any questions, please contact DLBudgetHelp_DBM@maryland.gov.

cc: OBA Analyst