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June 30, 2022

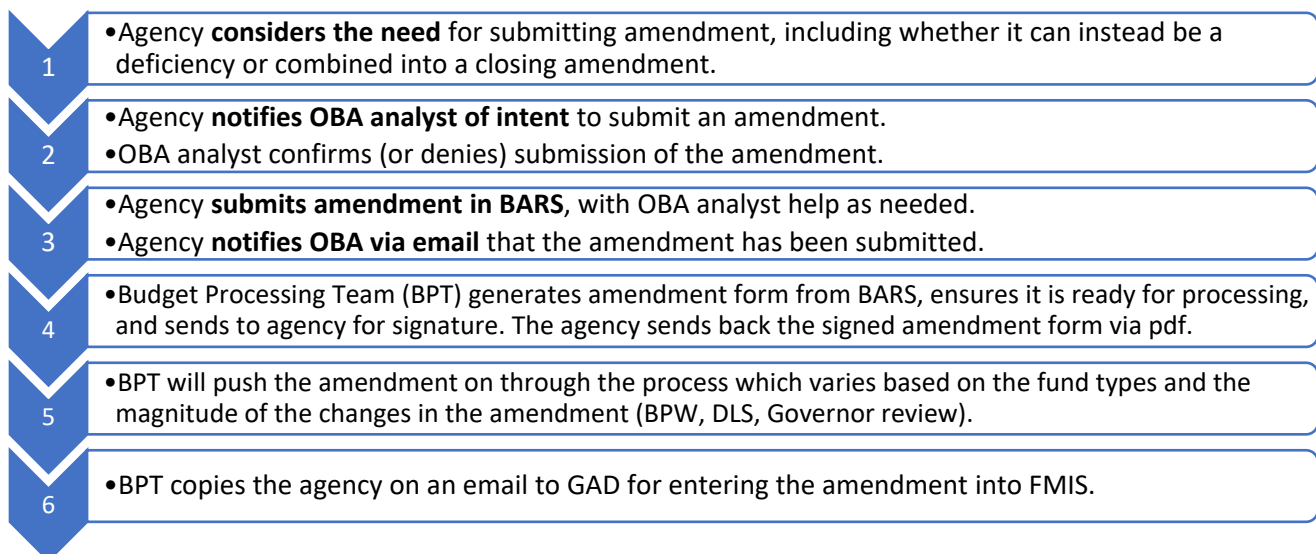
**TO:** Agency CFOs and Fiscal/Finance Directors  
**FROM:** Kurt Stolzenbach, Assistant Director, DBM  
**SUBJECT:** FY 2023 Agency Amendment Guidance

This document outlines the process for submitting budget amendments in FY 2023. First, a few notes:

1. Your OBA analyst is always your first stop when it comes to questions regarding amendments or any other process.
2. New in FY 2023, all amendments processed before June 1, 2023 **must first be submitted through BARS**. DBM will not be accepting non-closing amendment forms submitted outside of BARS this year.
3. The **Appendix** provides an overview of the review process for varying types of amendments.
4. 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.

## I. Non-Closing Amendments (before June 1)

The following graphic outlines the overall process, and the text that follows provides further detail on each step. An amendment must be submitted **by November 1<sup>st</sup>** for guaranteed inclusion in the budget volumes.



## **(A) Before OBA Analyst Notification**

*July 1 - February 28*

Agencies are strongly encouraged to avoid processing amendments in the fall, as both the Administration and Department of Legislative Services prefer that appropriation adjustments be made through the deficiency/budget bill process. Before submitting an amendment in the fall through February, agencies should consider the following before proceeding with an amendment:

1. Has the agency expended all 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.

*February 28 - June 1*

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

1. Has the agency expended all 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 a net 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.

## **(B) OBA Analyst Notification**

If the agency believes an amendment is needed, they must email their OBA analyst with the following information:

1. Program(s), amount(s), fund type(s) for the appropriation changes being requested.
2. Purpose of the funding/reason the change in appropriation is necessary.
3. Why the request cannot wait for a deficiency or closing amendment.
4. The federal fund award letter in the case of federal funds, and agency MOU in the case of reimbursable funds.

OBA analysts will notify the agency whether they are approved to process an amendment in BARS. Note that if the agency does not use BARS, the OBA analyst will submit the amendment in BARS on their behalf.

### (C) Submission in BARS.

After approval from their OBA analyst, agencies will submit their amendment request through BARS. Agencies that do not use BARS must work with their OBA analyst who will do so on their behalf. During that process, automatic BA#s are generated, and users can run draft hard copy amendments via Reports in BARS if they so choose (there will be a watermark 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, available on DBM's Budget Instructions website.

In the case of reimbursable fund amendments, the agency receiving the funds submits the amendment in BARS.

Common user errors for amendments:

- Reimbursable budget amendments cannot be supported by general funds from reimbursing agencies. They should also include MOU(s), where applicable, as attachments.
- Federal fund award letters, supporting the federal fund amendment value, are required as supporting documentation for federal fund budget amendments.
- Users need to use SD tabs for amendment items similar to other agency adjustments.
- Please do not include the questions in responses in the "Amendment" Tab.
- Note that the Expenditure Notes is the text that will populate the "Notes" page of the printed BA form. Make sure you are specific in your justifications.
- Please use sequential Agency BA numbers so that we can track that we have not missed any BA submissions. Agencies need to make sure that the agency Chart of Accounts is up-to-date so that the appropriate R\*STARS code is available for selection in the adjustment.

Agencies that submit paper amendments, without prior OBA approval, will be required to create a BARS adjustment before OBA will process the paper budget amendment.

### (C) Following BARS Submission.

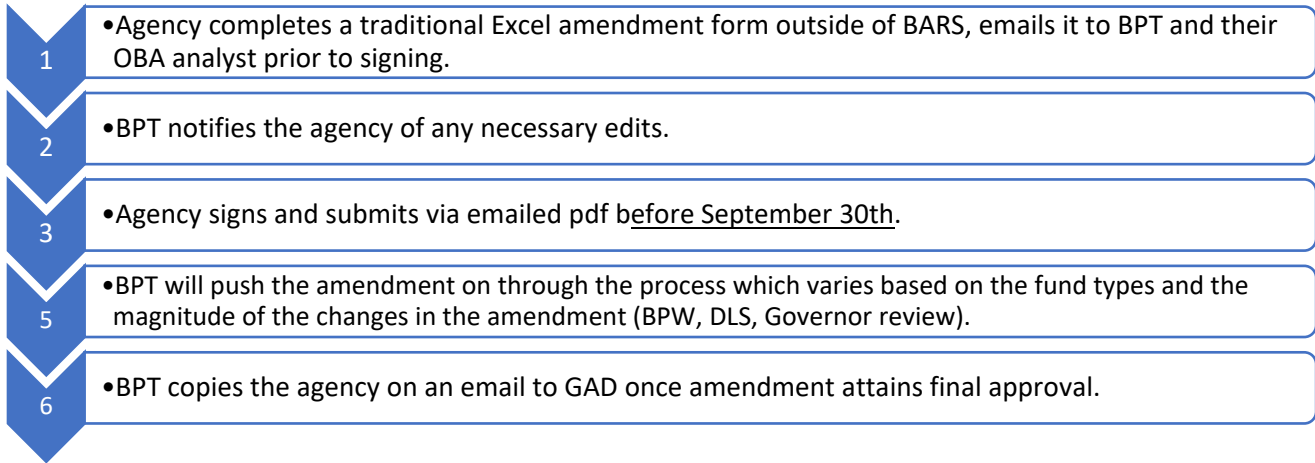
Once the adjustment is submitted to OBA, agencies email the Budget Processing Team (BPT) (DLBudgetHelp\_DBM@maryland.gov) and their OBA analyst notifying them that an amendment has been submitted. In that email, explain why the amendment is needed now and attach any important documentation such as MOUs for reimbursable amendments and grant awards for federal fund amendments. Even if an OBA analyst has submitted the amendment in BARS on behalf of the agency, the agency must send the email.

Next steps:

1. BPT will download the BA report and format the budget amendment and assign a DBM BA number.
2. BPT and the OBA analyst will work together—with input from the agency as needed—to finalize the draft form for signature.
3. Once the BA is ready for processing, BPT will follow up with the agency to obtain signatures for the amendment.
4. DBM will push the amendment through the remainder of the approval process (BPW, DLS, Governor, etc.). If BPW or DLS review is required, this can take up to two months.
5. The agency will be copied on the email to GAD when the amendment has been fully processed.

## II. Closing Amendments (June 1 and After)

The following graphic outlines the overall process for budget amendments in process (BAP) (i.e. closing amendments), and the text that follows provides further detail on each step.



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 a paper (i.e. pdf) 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. If you do not have this file, please contact Angela at [DLBudgetHelp\\_DBM@maryland.gov](mailto:DLBudgetHelp_DBM@maryland.gov).
2. Agencies are **encouraged to limit the number of budget amendments** (general, special, and federal funds) by combining the amendments across fund types. Only reimbursable fund amendments must be separate.
3. Common issues with 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 (net to zero).
  - f) Federal award letters should be included with federal funds, for both DBM and 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 ensure starting balances are correct. Submit the amendment through email to BPT ([dlbudgethelp\\_dbm@maryland.gov](mailto:dlbudgethelp_dbm@maryland.gov)), and cc your assigned budget analyst.
5. Once BPT confirms that the amendment is ready, agencies should complete the forms and can use electronic signatures. Send the final version in pdf form.
6. While agencies are encouraged to submit BAPs asap, agencies should submit BAPs no later than 7 business days after their closing package is submitted to GAD.
7. DBM would like to wrap-up the FY 2022 budget amendment processing **before September 30th** so we will be following up with agencies to monitor your closing status.

## **Appendix – Rules for Amendment Approval**

### Department of Legislative Services (DLS) Review

DLS review is required if:

1. Special, Federal, and/or higher education funding increases by \$100,000 or more.
2. There is a net decrease in R00A02 (Aid to Education).
3. Reimbursable funding from the Governor’s Office of Crime Prevention, Youth, and Victim Services or Maryland Department of Emergency Management (MDEM) increases by \$100,000 or more.

DLS has 45 days to review amendments send to them.

### Board of Public Works (BPW) Review

BPW review is required for reimbursable fund amendments with:

1. Zero starting balance or
2. No enrolled budget bill language.

NOTE that it is not required for intra-agency funding (i.e. within a single agency).