

## A. BUDGET DEVELOPMENT

### A.1 Standard Rates and Schedules by Comptroller Subobject

The following tables contain the R\*STARS Comptroller Objects (i.e. subobject codes) to be used in the preparation of the FY 2024 budget. If an agency uses agency subobjects and plans to make changes/additions to those crosswalks, please email [dlbudgetHelp\\_DBM@maryland.gov](mailto:dlbudgetHelp_DBM@maryland.gov) and copy your DBM analyst with the necessary changes as soon as possible.

#### Object .01 Salaries and Wages

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0101	Regular Earnings (i.e. Salaries)	Data in BARS will automatically be updated by Position Reconciliation and any other position adjustments. Can only be adjusted via the Position tab in BARS.
0102	Additional Assistance	Includes related salary and social security costs.
0104	Overtime Earnings	Includes related salary and social security costs.
0105	Shift Differential	Includes related salary and social security costs.
0110	Miscellaneous Adjustments	Includes related salary and social security costs.
0111	Accrued Leave Payout	Includes related salary and social security costs.
0112	Reclassification	Cost of reclassifying positions (vacant or filled) to different grades and steps. Includes related salary, social security, retirement, unemployment, and turnover values.
0120	Student Payments (USM only)	
0125	COVID-19 Personnel Expenditures	Salary and fringe expenditures associated with position funding supported by COVID-19 federal relief funds.
0151	Social Security Contributions	7.37% to \$159,471 + 1.45% of excess of Regular Earnings 0101. Data in BARS will automatically be updated by Position Reconciliation and any other position adjustments. Can only be adjusted via the Position tab in BARS.
0152	Health Insurance	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Should be realigned within the agency to align with position detail as necessary. DBM will update agency values in December based on health cost trends and Governor decisions.
0153	Health Insurance-Special Subsidies	Maryland Department of Transportation (MDOT - J00) only. Budget in accordance with union contract.
0154	Retirees Health Insurance Premiums	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Should be realigned within the agency to align with position detail as necessary. DBM will update agency values in December based on health cost trends and Governor decisions.
0155	Sick Leave Incentive Program	<b>Do Not Budget in FY 2024.</b>
0156	VSP Payments (FY 2011 only)	<b>Do Not Budget in FY 2024.</b>
0157	Other Post Employment Benefits	<b>Do Not Budget in FY 2024.</b>
0160	Early Retirement Surcharge	<b>Do Not Budget in FY 2024.</b>
0161	Employees' Retirement System	21.36% of Regular Earnings 0101. Data in BARS will automatically be updated by Position Reconciliation and any other position adjustments. Can only be adjusted via the Position tab in BARS.
0162	Employees' Pension System	<b>Do Not Budget in FY 2024.</b> All related costs are budgeted in 0161.
0163	Teachers' Retirement System (A64 not used)	15.36% of Regular Earnings 0101. Data in BARS will automatically be updated by Position Reconciliation and any other position adjustments. Can only be adjusted via the Position tab in BARS.

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0164	Teachers' Pension System	<b>Do Not Budget in FY 2024.</b> All related costs are budgeted in 0163.
0165	State Police Retirement System	77.25% of Regular Earnings 0101. Data in BARS will automatically be updated by Position Reconciliation and any other position adjustments. Can only be adjusted via the Position tab in BARS.
0166	Judges' Pension System	40.02% of Regular Earnings 0101. Data in BARS will automatically be updated by Position Reconciliation and any other position adjustments. Can only be adjusted via the Position tab in BARS.
0167	Mass Transit Administration Pension System	Rate to be determined by MDOT.
0168	Optional Retirement/Pension System (TIAA)	7.25% of Regular Earnings 0101.
0169	Law Enforcement Officers' Pension System	45.73% of Regular Earnings 0101. Data in BARS will automatically be updated by Position Reconciliation and any other position adjustments. Can only be adjusted via the Position tab in BARS.
0170	Other Retirement Systems	For higher education institutions only.
0171	Other Pension Systems	<b>Do Not Budget in FY 2024.</b>
0172	Deferred Compensation Match	<b>Do Not Budget in FY 2024.</b>
0174	Unemployment Compensation	0.28% of Regular Earnings 0101. Data in BARS will automatically be updated by Position Reconciliation and any other position adjustments. Can only be adjusted via the Position tab in BARS.
0175	Workers' Compensation	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Budgeted values are based on most recent actual workers' compensation experience, and DBM will update agency values in December based on FY 2022 actuals plus projected trends and Governor's decisions. Agencies should budget either (a) in one location or (b) based on which subprograms have workers' compensation costs.
0176	Workers' Compensation Reserve Fund	<b>Do Not Budget in FY 2024.</b>
0181	Tuition Waivers	<b>Higher Education Institutions Only,</b> as determined by governing boards.
0182	Employee Transit Expenses	
0189	Turnover Expectancy	Turnover rate is calculated as 0189/(0101+0151+Retirement+0174). This is not updated by Position Reconciliation or the Positions tab in BARS—agencies should review rates by subprogram/fund type following POS REC and adjust as necessary using the Turnover and/or Expenditure tab.
0192	DBM Adjustment	<b>Do Not Budget in FY 2024.</b>
0193	Health Savings	<b>Do Not Budget in FY 2024.</b>
0194	Section 40 Retirement Benefits	<b>Do Not Budget in FY 2024.</b>
0195	Section 40 COLA	<b>Do Not Budget in FY 2024.</b>
0199	Other Fringe Benefit Costs	Agencies should avoid using this subobject. Discuss with DBM analyst prior to use and be prepared to answer DBM/DLS questions.

**Object .02 Technical and Special Fees**

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0201	Honorariums	
0202	Per Diem Payments	
0203	Clerical/Secretarial Support	
0204	Legal Service Support	
0205	Medical Service Support	

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0206	Religious Service Support	
0207	Social Service Support	
0208	Training and Staff Development	
0209	Administrative/Management Services Support	
0210	Patient and Student Payments	
0211	Employee Awards	
0212	Athletic Services Support	
0213	Social Security Contributions	7.65% to \$153,549 + 1.45% of excess of Payroll 0220. Adjusted via the Contractuals tab in BARS, and may also be edited on the Expenditures tab.
0214	Unemployment Compensation	0.28% of Payroll 0220. Adjusted via the Contractuals tab in BARS, and may also be edited on the Expenditures tab.
0216	Royalty Payments	
0217	Contractual Health Insurance	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Should be realigned within the agency to align with position detail as necessary. DBM will update agency values in December based on health cost trends and Governor decisions.
0220	Special Payments Payroll (Contractual Employee Salaries)	Can only be adjusted via the Contractuals tab in BARS.
0221	Prizes and Awards to Non-Employees	
0289	Contractual Turnover Expectancy	Turnover rate is calculated as 0289/(0220+0213+0214). This is <u>not</u> updated by the Contractuals tab or the Turnover tab in BARS—agencies should review rates by subprogram/fund type following and adjust as necessary using the Expenditure tab.
0299	Other Technical and Special Fees	Agencies should avoid using this subobject. Discuss with DBM analyst prior to use and be prepared to answer DBM/DLS questions.

**Object .03 Communications**

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0301	Postage	1st Class/Standard Letter 58¢.
0302	Telephone	Billed directly by vendors; Same as FY 2022 Actuals for PBX/Centrex if independent.
0303	Telecommunications	Billed directly by vendors; Same as FY 2022 Actuals for PBX/Centrex if independent.
0304	Misc. Communications Charges	Billed directly by vendors; Same as FY 2022 Actuals for PBX/Centrex if independent.
0305	DBM Paid Telecommunications	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Budgeted values are based on radio maintenance contracts, allocated across agencies based on fall radio counts. DBM will update agency values in December. Agencies should budget either (a) in one location or (b) based on which subprograms have radios.
0306	Cell Phone Expenditures	Includes all cellular phones, personal data assistants (PDAs), and tablets.
0322	Capital Lease(s) (Telecommunications)	<b>Do Not Budget in FY 2024.</b>
0395	Corporate Purchasing Card	
0397	Paycheck Postage Costs	

**Object .04 Travel**

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0401	In State/Routine Operations	Includes tolls, parking fees, and private mileage reimbursement.
0402	In State/Conferences/ Seminars/Training	Includes conference fees, necessary hotels, and other in-state travel costs not in 0401.
0403	Out-of-State/Routine Operations	Refer to State travel regulations for reimbursement amounts.
0404	Out-of-State/Conferences/ Seminars/Training	Includes conference fees, necessary hotels, and other out-of-state travel costs not in 0403.
0495	Corporate Purchasing Card	<b>Do Not Budget in FY 2024</b>
	<b>Private Vehicle Mileage</b>	62.5¢ per mile <i>(This rate is adjusted each year after the federal government sets its mileage reimbursement rate.)</i>
	<b>Meal Allowances</b>	<b>State Employees &amp; Non-Paid Board</b>
	Breakfast	\$15.00
	Lunch	\$18.00
	Dinner	\$30.00
	Per Day Maximum	\$63.00

**Object .06 Fuel and Utilities**

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0601	Fuel - Alcohol	
0602	Fuel - Coal	Be prepared to answer DBM/DLS questions regarding request amount.
0603	Fuel - Oil #2	Be prepared to answer DBM/DLS questions regarding request amount.
0604	Fuel - Oil #3	Be prepared to answer DBM/DLS questions regarding request amount.
0605	Fuel - Oil #6	Be prepared to answer DBM/DLS questions regarding request amount.
0606	Fuel - Natural Gas/Propane	Equal to FY 2022 actual expenditures.
0607	Fuel - Wood	Be prepared to answer DBM/DLS questions regarding request amount.
0608	Fuel - Steam	Be prepared to answer DBM/DLS questions regarding request amount.
0619	Fuel - Miscellaneous	
0620	Utilities - Electricity	Equal to FY 2022 actual expenditures.
0621	Utilities - Water/Sewage	
0622	Utilities - Combined Utility Purchases	
0695	Corporate Purchasing Card	
0697	Maryland Environmental Service (MES) Charges	<b>Same as FY 2023 appropriation by fund type.</b> Budgeted values are based on MOUs with MES, and DBM will update agency values in December based on MOU schedules.
0698	Loan Repayment- Energy Conservation	Amount listed in schedule in <u>Appendix 3</u> .
0699	Utilities - Miscellaneous	Agencies should avoid using this subobject. Discuss with DBM analyst prior to use and be prepared to answer DBM/DLS questions.

**Object .07 Motor Vehicle Operations and Maintenance**

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0701	Purchase Cost or Lease Cost	Must match provided DA-8 forms at the subprogram/fund type level. See Vehicle List in <u>Appendix 4</u> .
0702	Gas and Oil	Passenger Vehicles 19.0¢/mile. Light Trucks & Vans 24.0¢/mile. <b>Updated September 2022.</b>
0703	Maintenance and Repair	Passenger Vehicles 17.0¢/mile. Light Trucks & Vans 20.0¢/mile. <b>Updated September 2022.</b>
0704	Insurance	See schedule in <u>Appendix 6</u> .

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0705	Garage Rent	
	- Areas served by mass transit	NTE 1 to 3 ratio of spaces to employees.
	- Areas not served by mass transit	NTE 1 to 2 ratio of spaces to employees.
<b>Aircraft</b>		
0710	Purchase Cost or Lease Cost	
0711	Gas and Oil	
0712	Maintenance and Repair	
0713	Insurance	
0714	Hangar Rental/Landing Fees	
<b>Watercraft</b>		
0720	Purchase Cost or Lease Cost	
0721	Gas and Oil	
0722	Maintenance and Repair	
0723	Insurance	
0724	Boat Slip Rental/Launching Fees	
<b>Other Land Vehicles</b>		
0730	Purchase Cost or Lease Cost	
0731	Gas and Oil	
0732	Maintenance and Repair	
0733	Insurance	
0734	Garage or Storage Space Rental	
0789	Vehicle Commuter Charge	See schedule in <a href="#">Appendix 5</a> .
0795	Corporate Purchasing Card	
0799	Other Motor Vehicle Charges	

**Object .08 Contractual Services**

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0801	Advertising & Legal Publication	
0803	Architects	
0804	Printing/Reproduction	
0805	Bookbinding/Photographic	
0806	Microfilming	
0807	Engineers	
0808	Equipment Rental (Other than Data Processing)	
0809	Equipment Repairs and Maintenance	
0810	Extermination	
0811	Food Services	
0812	Building/Road Repairs and Maintenance	
0813	Janitorial Services	
0814	Grounds Maintenance	
0815	Laundry	Correctional Laundry 55.0¢ per pound.
0816	Housekeeping	
0817	Legal Services	
0818	Purchase of Care Services	
0819	Education/Training Contracts	
0820	Medical Care (Physicians Dental, Etc.)	

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0821	Management Studies and Consultants	
0822	Hospital Care	
0823	Security Services	
0824	Laboratory Services	
0825	Veterinarian	
0826	Freight and Delivery	
0827	Trash and Garbage Removal	
0828	Office Assistance	
0829	Fiscal Service	
0830	Medical Assistance Reimbursements	
0831	Office of Administrative Hearings (OAH) Allocation	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Budgeted values are based on most recent OAH caseload experience, and DBM will update agency values in December based on FY 2022 actual caseloads plus Governor's decisions. Agencies should budget either (a) in one location or (b) based on which subprograms experience OAH cases.
0832	Education & Training Reimbursement - Job Related	
0834	Sign Language Interpreter Services	
0833	eMaryland Marketplace	<b>Do Not Budget in FY 2024.</b>
0835	Administrative Allocations	
0836	Human Services - Other Fee-for-Service	
0838	Other Human Services	
0839	DBM Human Resources Shared Services Allocation	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Budgeted values are based on the number of PINs in agencies using DBM HR services, and DBM will update agency values in December based on Governor's decisions. Agencies should budget either (a) in one location or (b) based on which subprograms use DBM services.
0841	Data Processing Central Processing Unit & Consoles	
0843	Communications Controllers	
0844	Magnetic Tape Devices	
0845	Direct Access Storage Devices (DASD)	
0848	Terminal Teleprocessing Equipment	
0849	Telecommunications Lines, Modems, Controllers, etc.	
0850	Peripheral Equipment- Printers, Terminals, etc.	
0852	Data Entry Devices	
0854	Computer Maintenance Contracts	
0857	Other Data Processing Hardware	
0858	Software Licenses	
0861	Applications Software (Acquisition)	
0862	Applications Software (Maintenance)	
0863	Systems Software (Acquisition)	

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0864	Systems Software (Maintenance)	
0865	Outside Services-Systems Analysis and Design	
0866	Outside Services-Programming	
0867	Outside Services-Data Entry	
0868	Outside Services-D/P Training	
0869	Outside Services-Computer Usage	
0872	Outside Services - Consulting Services	
0873	Outside Services – Other	
0874	Office of the Attorney General (OAG) Allocation	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Budgeted values are based on AAG staff counts in agencies, and DBM will update agency values in December based on Governor's decisions. Agencies should budget either (a) in one location or (b) based on which subprograms have AAGs.
0875	State Retirement Agency (SRA) Allocation	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Budgeted values are based on the count of active retirement system employees, and DBM will update agency values in December based on June 30 counts plus Governor's decisions. Agencies should budget either (a) in one location or (b) by unit/program/subprogram based on active employee counts.
0876	Department of Information Technology (DoIT) Services Allocation	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Budgeted values are based on DoIT services used by agencies, and DBM will update agency values in December based on the current service schedule plus Governor's decisions. Agencies should budget either (a) in one location or (b) based on which subprograms use DoIT services.
0878	In State Services-Systems Analysis and Design	
0879	In State Services-Programming	
0880	In State Services-Data Entry	
0881	In State Services-D/P Training	
0882	Annapolis Data Center (ADC) Allocation	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Budgeted values are based on agency actual ADC usage, and DBM will update agency values in December based on FY 2022 actuals plus Governor's decisions. Agencies should budget either (a) in one location or (b) based on which subprograms use the ADC.
0883	In State Services-Tape Maintenance	
0885	In State Services-Other	Agencies must use 0885 to budget expenditures related to interagency agreements or agreements with local government entities.
0886	In State Services-Computer Usage-Other than ADC	
0890	Data Processing-Microfilming/Microficheing	
0891	Data Processing-Freight	
0892	Data Processing-Academic/Research	
0893	Data Processing-Administrative	
0894	Statewide Personnel System (SPS) Allocation (i.e. Workday)	<b>Same as FY 2023 appropriation by fund type at the agency level.</b> Budgeted values are based on PIN counts and agency usage of Workday, and DBM will update agency values in December based on Governor's decisions. Agencies should budget either (a) in one location (preferred) or (b) by unit/program/subprogram based on PIN counts.
0895	Corporate Purchasing Card	

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0897	Enterprise Budgeting System Allocation	Same as FY 2023 appropriation by fund type at the agency level. Budgeted values are based on the number of units in each agency, and DBM will update agency values in December based on Governor's decisions. Agencies should budget either (a) in one location (preferred) or (b) by unit.
0898	Data Processing-Other Contractual Services-DP	
0899	Other Contractual Services Non-DP	Agencies should avoid using this subobject. If the agency does budget in 0899, please label using a specific Contract/Grant Name and Description on the Contract/Grants tab in BARS so DBM/DLS knows what the grant is for.

**Object .09 Supplies and Materials**

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
0901	Agriculture	
0902	Office Supplies	
0903	Audio Visual	
0904	Building and Household	
0905	Cosmetic	
0906	Laboratory	
0907	Dietary	
0908	Housekeeping	
0909	Medical	
0910	Laundry	
0911	Medicine, Drugs and Chemicals	
0912	Wearing Apparel-Uniforms Employees	
0913	Wearing Apparel-Uniforms Clients (Patients, Prisoners)	
0914	Instructional Supplies	
0915	Library Supplies	
0916	Recreational Supplies	
0917	Small Tools	
0918	Veterinary	
0919	Tobacco	
0920		
0921	Data Processing Computer Forms	
0926	Data Processing Supplies	
0930	Microcomputer Packaged Applications Software	
0932	Microcomputer Operating Systems Software	
0933	Software Upgrades	
0951	Items for Resale	
0990	Data Processing-Academic/Research	
0991	Data Processing-Administrative	
0995	Corporate Purchasing Card	
0998	Data Processing Other Materials	
0999	Other Supplies and Materials	Agencies should avoid using this subobject. Discuss with DBM analyst prior to use and be prepared to answer DBM/DLS questions.



**Object .10 Equipment Replacement**

<b>Code</b>	<b>Title of Comptroller Object</b>	<b>Rates Assumption/ Basis for Calculation</b>
1001	Agricultural Equipment	
1002	Audio-Visual Equipment	
1003	Cleaning Equipment	
1004	Dental Equipment	
1005	Dietary Equipment	
1006	Duplicating Equipment	
1007	Educational Equipment	
1008	Household Equipment	
1009	Human Environmental Equipment	
1010	Laboratory Equipment	
1011	Laundry Equipment	
1012	Livestock	
1013	Maintenance and Building Equipment	
1014	Medical Equipment	
1015	Office Equipment	
1016	Power Plant Equipment	
1017	Recreational Equipment	
1018	Veterinary Equipment	
1019	Radios and Electronic Equipment	
1021	Capital Lease(s)- Payment(s) to Treasurer (Non-DP)	
1022	Capital Lease(s) (Non-DP)	
1023	Operating Lease(s) (Non-DP)	
1024	Installment Payment(s) to Treasurer (Non-DP, Non-Capital)	
1031	Data Processing Equipment- Mainframe	
1032	Data Processing Equipment- Minicomputer	
1033	Data Processing Equipment- Microcomputer	
1034	Data Processing Equipment- Workstations	
1035	Data Processing Equipment- Imaging Systems	
1036	Data Processing Equipment- Peripherals	
1041	Capital Lease(s)- Payment(s) to Treasurer (DP)	Amounts in the Treasurer's Lease Purchase Program. See schedule in Appendix 7.
1042	Capital Lease(s) (DP)	Amounts in the Treasurer's Lease Purchase Program. See schedule in Appendix 7.
1043	Operating Lease(s) (DP)	
1044	Installment Payment(s) to Treasurer (DP, Non-Capital)	
1090	Data Processing- Academic/Research	
1091	Data Processing-Administrative	
1095	Corporate Purchasing Card	

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
1099	Other Equipment	Agencies should avoid using this subobject. Discuss with DBM analyst prior to use and be prepared to answer DBM/DLS questions.

**Object .11 Equipment Additional**

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
1101	Agricultural Equipment	
1102	Audio-Visual Equipment	
1103	Cleaning Equipment	
1104	Dental Equipment	
1105	Dietary Equipment	
1106	Duplicating Equipment	
1107	Educational Equipment	
1108	Household Equipment	
1109	Human Environmental Equipment	
1110	Laboratory Equipment	
1111	Laundry Equipment	
1112	Livestock	
1113	Maintenance and Building Equipment	
1114	Medical Equipment	
1115	Office Equipment	
1116	Power Plant Equipment	
1117	Recreational Equipment	
1118	Veterinary Equipment	
1119	Radios and Electronic Equipment	
1121	Capital Lease(s)- Payment(s) to Treasurer (Non-DP)	
1122	Capital Lease(s) (Non-DP)	
1123	Operating Lease(s) (Non-DP)	
1124	Installment Payment(s) to Treasurer (Non-DP, Non-Capital)	
1131	Data Processing Equipment- Mainframe	
1132	Data Processing Equipment- Minicomputer	
1133	Data Processing Equipment- Microcomputer	
1134	Data Processing Equipment- Workstations	
1135	Data Processing Equipment- Imaging Systems	
1136	Data Processing Equipment- Peripherals and Hardware Upgrades	
1141	Capital Lease(s)- Payment(s) to Treasurer (DP)	Amounts in the Treasurer's Lease Purchase Program. See schedule in Appendix 7.
1142	Capital Lease(s) (DP)	Amounts in the Treasurer's Lease Purchase Program. See schedule in Appendix 7.
1143	Operating Lease(s) (DP)	
1144	Installment Payment(s) to Treasurer(DP, Non-Capital)	

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
1190	Data Processing-Academic/Research	
1191	Data Processing-Administrative	
1195	Corporate Purchasing Card	
1199	Other Equipment	Agencies should avoid using this subobject. Discuss with DBM analyst prior to use and be prepared to answer DBM/DLS questions.

**Object .12 Grants, Subsidies, and Contributions**

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
1201	Social Security Contributions-Grants	
1202	Aid to Political Subdivisions	
1203	Health and Insurance Grants	
1204	Educational Grants	
1205	Inmate Payments	
1206	Grants to Other St. Gov't. Prog./Agen.	
1207	Grants to Non-Governmental Entities	
1208	Statewide Cost Allocation	
1209	Employees' Retirement System Grants	
1210	Employees' Pension System Grants	
1211	Teachers' Retirement System Grants	
1212	Teachers' Pension System Grants	<b>Do Not Budget in FY 2024.</b>
1213	Optional Retirement System (TIAA) Grants	
1214	Public Assistance Payments	
1295	Corporate Purchasing Card	
1296	Grants for Subsidized Rents	
1297	Grants to Health Providers	
1298	Taxable Grants, Contributions and Subsidies	
1299	Other Grants, Subsidies and Contributions	Agencies should avoid using this subobject. If the agency does budget in 1299, please label using a specific Contract/Grant Name and Description on the Contract/Grants tab in BARS so DBM/DLS knows what the grant is for.

**Object .13 Fixed Charges**

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
1301	Rent (non-DGS)	Can only be adjusted via the Real Estate Lease tab in BARS.
1302	Insurance Coverage Paid to STO	See schedule in Appendix 6.
1303	Rent Paid to DGS	See schedules in Appendix 9.
1304	Subscriptions	
1305	Association Dues	
1306	Bond Payments	
1307	Interest	
1308	Licenses	
1309	Insurance (Non STO Payments)	Insurance coverage payments not paid to the State Treasurer's Office.
1310	Interest on Late Payments	

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
1311	Interest on Treasury Cash Overdrafts	
1312	Interest on Treasury Deposits	
1320	Bad Debt Expense	
1395	Corporate Purchasing Card	
1399	Other	Agencies should avoid using this subobject. Discuss with DBM analyst prior to use and be prepared to answer DBM/DLS questions.

**Object .14 Land and Structures**

Code	Title of Comptroller Object	Rates Assumption/ Basis for Calculation
1401	Land	
1402	Land Improvements-Existing Facilities	
1410	Buildings Construction-New Facilities	
1411	Buildings-Purchase/Trade	
1412	Buildings-Demolition	
1413	Buildings-Fixed Equipment	
1414	Buildings-Professional Fees	
1415	Buildings, Additions, and Other Major Improvements	
1416	Utilities Extension	
1430	Improvements Other Than Bldgs-Highway Construction	
1431	Improvements Other Than Bldgs-Roads, Sidewalks and Parking Areas	
1432	Improvements Other Than Bldgs-Water Construction	
1433	Loans to Private/Non-profit Individuals/Organizations	
1440	Roof Repair/Replacement	
1441	Building Exteriors	
1442	Building Interiors	
1443	Water	
1444	Heating	
1445	Power Lines	
1446	Security Alarm Systems	
1447	Road Repair Services	
1448	Ground Maintenance	
1449	Sheds, Gas & Oil Storage tanks	
1481	Easement Acquisitions	
1495	Corporate Purchasing Card	
1498	Statewide Critical Maintenance Program (DGS Administered)	Reserved for statewide operating maintenance projects that are administered by DGS.
1499	Other Land and Structures	Agencies should avoid using this subobject. Discuss with DBM analyst prior to use and be prepared to answer DBM/DLS questions.

## A.2 Starting Point - Understanding Agency Targets

The State of Maryland uses a current services budget (CSB) process. DBM begins with a base of the previous year's budget, then adjusts that base for certain known changes, creating CSB targets for agencies. Agencies must carefully consider their targets and determine what action is needed to submit a budget within the target.

When agencies first access their data in BARS to begin the FY 2024 budget submission, the following are the starting points for that data.

- FY 2022 Actuals (Prior Year or PY). The starting point for FY 2022 actual expenditures will be the FY 2022 working appropriation, excluding any closing amendments. There will be no direct connection to FMIS data.
- FY 2023 Appropriation (Current Year or CY). When agencies first access their CY data in BARS, it will be the FY 2023 Appropriation plus any approved and processed budget amendments. As budget amendments are now a separate, ongoing process in BARS, the primary CY adjustments that agencies will make during budget submission are deficiencies.
- FY 2024 Request (Budget Year or BY). The baseline will consist of (a) the FY 2023 Legislative Appropriation plus (b) any statewide personnel actions that happen during FY 2023 plus/minus (c) any target adjustments that OBA analysts enter at the line item level to reflect caseload changes, new or escalating mandates, removal of funding that is sunseting, or other management decisions. Even after work in BARS has started, agencies can always view this baseline by viewing the FY 2024 Target Stage in BARS reports or ad hoc.
  - For FY 2024, DBM has removed all COVID-19 federal relief funds from agency targets.

In BARS, we reference BY “targets” in two ways:

- The overall CSB target, which is the total general fund and/or special fund target (i.e. cap) for the agency's entire budget submission. This is provided to the agency in the official target memo and is what DBM has historically referred to as the agency's budget target. The budget submission in BARS will validate to ensure the request does not go over this target amount.
- Target adjustments and/or locks, which are specific updates that DBM analysts have entered in BARS to ensure that budget mandates and other specific budget items are properly reflected in the submission. For example, DBM may increase a grant program by \$1 million to reflect the funding level specified in statute through a target adjustment. DBM may also “lock” that subprogram or fund source to ensure that the funding stays in the mandated location.

Agency general fund and special fund targets—both agency-level and more specific to mandated program areas—can be viewed in BARS in the Budget Request Submission (BRS) Module.

### A.3 **Budget Development Guidance**

Any questions concerning submission requirements should be referred to your assigned Office of Budget Analysis (OBA) analyst.

In BARS—the statewide solution for budget development and analysis—agencies submit adjustments against the baseline (prior year’s) budget in order to create and submit the budget request. Most of the detail that makes up a budget submission is now contained in BARS itself, but for a list of remaining outside-of-BARS DA-form requirements, see the agency checklist, Section B.2.

#### A.3.1 *First Step: Chart of Accounts Data Changes*

The BARS Chart of Accounts (COA) must be up-to-date in order for an agency to select valid account codes when making adjustments. **Therefore, agencies are encouraged to update this information prior to budget development.** Agencies are encouraged to review their agency’s units, programs, subprograms, or agency subobjects in BARS through the Agency Administration - COA Maintenance tab. Note that BPT will not process any COA disable requests during budget season, as disabling can result in data errors.

Agencies may wish to set-up new subprograms to provide a greater level of detail, to more easily track the budget for a particular project, or to budget for a new agency activity. Agencies should follow the process below to update the agency COA. Please plan ahead for needed COA changes and work on them early in budget season so that the processing of COA additions does not hold up agency budget work.

1. **New/Revised Subprograms** – An agency approver can add new or revise existing subprograms in BARS using the Agency Administration – COA Maintenance – Maintain Sub-Program module. When complete, the user should e-mail [dlbudgethelp\\_dbm@maryland.gov](mailto:dlbudgethelp_dbm@maryland.gov) and copy the OBA analyst with the BARS item # so that the item can be approved and released. Agencies must include a subprogram description with each subprogram that is created, at least a sentence long (preferably longer) explaining to DBM and DLS readers the purpose and work of that subprogram. Make sure to include in the email an explanation of the reason for the changes. The Budget Processing Team (BPT) will reply by email when updated and approved in BARS.
2. **New/Revised Agency Subobjects** – An agency approver can edit agency subobjects options in BARS using the Agency Administration – COA Maintenance – Maintain Agency Subobject module. When complete, the user should e-mail [dlbudgethelp\\_dbm@maryland.gov](mailto:dlbudgethelp_dbm@maryland.gov) and copy the OBA analyst with the BARS item # so that the item can be approved and released. Make sure to include in the email an explanation of the reason for the changes. The BPT will reply by email when updated and approved in BARS.
3. **New/Revised Units and Programs (OBA Only in BARS)** – Agencies can submit requests via email for COA changes to units or programs (name or description changes and creation of new COA components as part of a reorganization.) The agency should submit these updates via an Excel spreadsheet showing current and proposed COA detail (codes and full names as they would appear in the budget books) by e-mail to [dlbudgethelp\\_dbm@maryland.gov](mailto:dlbudgethelp_dbm@maryland.gov) and CC the OBA budget analyst. If it is a program that is added or revised, please also include a program description for the budget book. Make sure to include in the email an explanation of the reason for the changes. The BPT will reply by email when updated and approved in BARS.

Modifications to the BARS COA account code structure (adds or edits) are not part of the FMIS and Workday interfaces. **Agencies will need to update account codes separately in FMIS and Workday as appropriate.**

### A.3.2 General Budget Considerations

Agencies should answer the following questions before beginning to build their budget:

- Are any new facilities becoming operational and therefore increasing operating costs?
- Are there required rate changes from the federal government, service providers, or DBM?
- Are there any approved salary adjustments?
- Are there other budget drivers that should be considered?
- If the agency budget is dependent on a caseload forecast, how will that forecast change in the coming fiscal period?
- Are there any new or changed funding mandates that were not reflected in the target?

### A.3.3 Common Strategies for Development

Averages: When determining the budget for some subobjects, it may make sense to budget the average of the last three completed fiscal years. Averages can be applied to recurring expenditures that are not controlled statewide subobjects. For example, if the number of inspections an agency conducts stays the same each year, the travel costs related to these inspections may be relatively stable, depending upon fuel costs. Using the average of the last three years may allow for a stable funding level that changes marginally to reflect actual travel costs. Note: if subobject spending was affected by the COVID-19 pandemic (such as travel), consider looking back to pre-pandemic fiscal years.

Most Recent Year Actuals: In some cases, it may be more appropriate to budget the same amount as was spent in the most recently closed fiscal year. Using the most recent actual expenditures is particularly valuable if the agency recently began a new program and does not have enough data or experience to fully predict the potential expenditures. Over time, the agency should be able to better determine which budgeting strategy is appropriate.

Inflationary Factor: In some cases, such as when calculating expenditures that are consumer-based, it makes sense to inflate the previous year's budget. In general, the State uses the Implicit Price Deflator for State and Local Expenditures. Additional information on the implicit price deflator can be found [at this link](#). Next, select *Section 1 – Domestic Product and Income* and then select *Table 1.1.9 Implicit Price Deflators for Gross Domestic Product (A) (Q)*. Scroll down to Line 26 to find the State and local expenditures.

Specific Commitments: In some cases, there are discrete additional charges that the agency may include for specific commitments. These are often one-time expenditures for new equipment or expenditures related to a new initiative. The agency may budget these within the target, reducing spending in other areas if necessary. This should include contracts that are multi-year commitments.

### A.3.4 Into BARS: Submission Methodology

Agencies should view the baselines in BARS for each FY described above and then make adjustments to update their actuals and finalize the FY 2024 request. Agencies with approved reorganizations should contact their OBA analyst for guidance.

While DBM is providing some basic guidance and ideas for how to approach the budget request, we recognize each agency will complete the request in BARS differently. We are providing one possible approach below. We encourage you to share best practices as you work in the system so we can continue to refine and improve the guidance we provide over time. For more detailed guidance on BARS, please see the user guides and instruction videos on DBM's website.

Overall, the process entails (1) completing Position Reconciliation which sets the permanent employee salary and fringe budget for FY 2024, (2) updating actuals information for FY 2022 in BARS which will help an agency to determine their non-salary and fringe needs for FY 2024, (3) adjusting Supporting Detail (SD) information in BARS for contractual employees, contracts/grants, and real estate leases, and (4) adjusting all types of expenditures not handled on the SD tabs.

Smaller agencies may be able to handle this process with one adjustment per fiscal year, plus their Position Reconciliation adjustment. However, larger agencies will likely need to split up their adjustments by type of data (one for each type of SD information) and/or Chart of Account values (by unit, program, subprogram).

### **1. Reconcile Positions**

Even before the target and agency request is available in BARS, agencies can work ahead by ensuring that Workday data is up-to-date as much as possible, consulting reports in BARS that indicate where differences exist between the budget system and Workday. If there are differences between the two datasets, create a separate tracking spreadsheet to plan for the needed changes in BARS (as presumably Workday is more up-to-date). These changes may include differences in location, class code and grade/step, and fund split. Agencies should also be tracking the differences in salaries and fringes between FY 2023 and FY 2024 and assess changes for the budget request. For example, if a position has been reclassified upwards and is now more expensive, funding may need to be reduced elsewhere in the budget to cover those additional costs.

During the official "Position Reconciliation" (POS REC) process directed by DBM, agencies should go into BARS and begin using position adjustments to correct the position data. Through POS REC, agencies can prorate the same fund type split (general, special, federal, reimbursable) across all positions within a given subprogram to simplify position revenue data consistent with expenditures in a given program or subprogram. For example, if salaries for the subprogram are overall 50% general and 50% federal, apply this same fund split across all positions rather than calculating the funds supporting each one by one. This method is far easier than managing fund type splits on a PIN-by-PIN basis within the budget system.

### **2. Update the Prior Year (PY) Actuals Data**

As feasible, agencies should balance actuals data in BARS to expenditures reported in FMIS, as shown in DAFR 6000 and G200 reports (expenditures plus encumbrances). Agencies are encouraged to use this as a guide, but the Chief Financial Officer (CFO) or Budget Director will know best what the final numbers should look like from a budget perspective. DBM will be reviewing actuals data to ensure that submitted BARS values match the DAFR 6000 at the program/fund type level. The DAFR 6000 used by DBM is based on a data run after GAD has confirmed close-out is complete, so agencies should consider that if they make data changes in FMIS after that point.



For reporting actual spending on contractual positions (subobject 0220), contracts (Object 08), grants (Object 12), and non-DGS real estate (subobject 1301), agencies should prepare SD tab adjustments as noted below and instructed in this document.

### 3. Contractual Positions

Contractual position data must be entered into BARS on the Contractual Supporting Detail (SD) tab, which in turn must match Expenditure (budget) data across all three years. Key concepts regarding the use of this tab, which was developed to meet Department of Legislative Services (DLS) requirements:

- Included Data. BARS requires every budgeted contractual to have a specific budgeted location at the subprogram/fund type level, a class code, and a helpful description describing the work being performed. Multiple FTEs with the same subprogram/class code/fund type combination are merged into one line, so please include a description of the work of each FTE in the one row.
- FTE/Salary Validation. In order to ensure that salary information is reasonable, BARS validates data across all three years to make sure there is a 1.00:\$20,000 FTE-to-salary ratio. This validation is not enforced until the Budget Request Submission (BRS) module.
- Actuals. Contractual actual FTEs are reported based on how much of the year the position was filled, not the budgeted FTE amount. For example, if a contractual was budgeted for \$40,000 per year at 1 full-time-equivalent (FTE) but was only filled for a quarter of the year and paid \$10,000, then BARS should have 0.25 FTE for that position in the actuals.
- Other Years. Adjust FY 2024 as necessary to reflect revised needs since the previous budget request. Agencies are not required to make changes to the Current Year.

### 4. Contracts/Grants

Funding for contracts and grants (objects 08 and 12) must be entered into BARS on the Contract/Grant SD tab, which in turn must match Expenditure (budget) data across all three years. Key concepts regarding the use of this tab, which was developed to meet DLS requirements:

- Included Data. Duration, total contract cost, description, and an easily-identifiable name indicative of the purpose (not simply the vendor name). Agencies are required to provide this information, along with descriptions of the contracts and grants that describe their purpose and utility, through the Maintain Contracts and Grants module in BARS (under “Agency Administration”).
- Process. Begin by making adjustments in the Contracts/Grants SD tab against the rollover FY 2022 appropriation (for the FY 2022 Actuals). Continue by planning funding changes for existing contracts and assessing needs versus the FY 2023 legislative appropriation (which rolled over to become the FY 2024 target). If new contracts are needed or existing ones require different names/descriptions/etc., first utilize the Maintain Contracts and Grants module in BARS. Small agencies may be able to complete this process in one work item per fiscal year, while large agencies are encouraged to break down contracts into smaller units for both ease and performance in the system. Keep in mind anticipated fund split changes, and track differences against the target using resources provided by the budget system and DBM. Please be mindful of

using the appropriate object 08 subobject and do NOT use 0899 “Miscellaneous” unless absolutely necessary.

## 5. Non-DGS Real Estate Leases

Funding for non-DGS leases (comptroller subobject 1301) must be entered into BARS on the Real Estate SD tab, which in turn must match Expenditure (budget) data across all three years. Similar to the Contracts/Grants process, agencies should have accumulated a list of real estate leases that have a specific duration, total cost, description, name, and cost of the lease. This list should be reviewed and edited as necessary using the Maintain Real Estate Leases module prior to the agency working on their 1301 submission in BARS adjustments. Make necessary adjustments in FY 2022 to reconcile to the actuals, and make changes where necessary in FY 2024.

## 6. All Other Expenditures

Agencies use the Expenditures tab to allocate funds against non-Personnel 01 subobjects, non-contractual salary 02 subobjects, and object 03, 04, 05, 06, 07 (including 0701), 09, 10, 11, non-lease 13, and 14 subobjects. Agencies should consider inflation rates, effects of the rollover from the previous fiscal year, and all specific programming that is included in the rollover and necessary in order to fund the agency within the target for FY 2024.

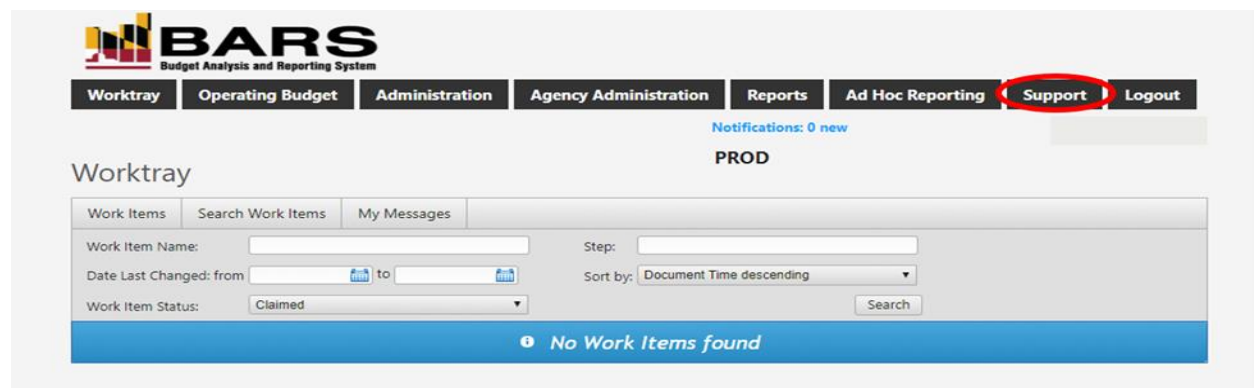
Use the Export/Import feature with formulas if you are more comfortable inputting whole numbers while working on the budget request instead of adjusted numbers.

- This can also help agencies quickly budget the average of three years of actuals or some other calculated budgeting methodology in their request.
- Again, the data uploaded into the “Expenditures” tab must reconcile to the SD tabs for contractual positions, contracts/grants, and non-DGS leases.

Additional best practices can be found in Section B.1, and additional guidance can be found in Section B.6.

## 7. Finding Guides in BARS

In addition to being on DBM’s website, guides can be found under the “Support” button in BARS.



## **8. Budget Amendments**

Budget amendments needed to realign or increase current year appropriations must be submitted to DBM in BARS, not in the old non-BARS form. See DBM's budget amendment guidance on the Budget Instructions webpage for more information.

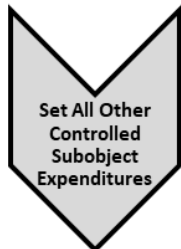
### Building Blocks of the Budget



- Budget the number of employees the agency will need in order to achieve the goals of the upcoming fiscal period and set the salaries for these employees using the subobject 0101 target set during the Position Reconciliation exercise. New positions must be submitted as over-the-target requests.
- Budget the health and pension benefits and turnover rate that relate to the positions budgeted above.
- The most important subobjects for the agency for this step are 0101, 0112, 0125, 0151, 0152, 0154, 0161, 0169, 0174, and 0189.



- Budget the number of contractual employees the agency will need in order to achieve the goals and objectives of the upcoming fiscal period and set the salaries for those contractuels. Be diligent about ending contractual positions that are no longer necessary.
- The most important subobjects for the agency for this step are 0220, 0213, 0214, 0217, and 0289.
- The State provides health insurance for certain contractual employees, level fund from the most recent legislative appropriation.
- When budget developers build their salary and fringe budgets, they should include the following considerations:
  - Will the agency be reclassifying individual employees?
  - Will the agency be converting contractual employees to permanent employees?
  - What are the current vacancies and how many of those will be filled in the budget?



- Controlled subobjects are nondiscretionary. The amounts in the request must be exactly the same, by fund source, as those in the legislative appropriation. While BARS will validate this, the agency should ensure this is correct and contact the assigned DBM budget analyst if there are any questions or concerns. These specific subobjects are 0152, 0154, 0175, 0217, 0305, 0322, 0697, 0831, 0833, 0839, 0874, 0875, 0876, 0882, 0894 and 0897. Other controlled subobjects that must be budgeted according to guidance in Section A.1 include 0698, 0704, 1302, and 1303.



- The budget should include any mandated (non-discretionary only) increases or expenditures set forth in statute and carry forward any required contractual expenditures and capital lease financing payments. The staffing considerations for these mandated increases should be considered in the previous steps.
- Agencies should only include mandated increases where the legislature has passed a law that includes language that the “Governor shall” appropriate or include in the budget a specific expenditure amount or budget formula. These are non-discretionary. Agencies should *not* include funding for new laws that do not specify an amount or provide a formula, unless they are able to include the funding within the target. Alternatively, agencies may request this funding in an over-the-target request.
- CAVEAT: The Legislature will sometimes pass laws that include an intent section with budget language. Intent language in a law is not a legal requirement and agencies should *not* consider these mandates. Agencies should budget these expenditures within existing funds or submit an over-the-target request.

## A.4 Personnel Budgeting - Objects 01 and 02

### A.4.1 *Position Reconciliation and PIN Budgeting - Object 01*

The first step in building a budget request is to establish the cost of the agency's permanent employee salaries and fringe benefits (in Object 01). During the summer, agencies are asked to complete a Position Reconciliation (POS REC) exercise in BARS to update the FY 2023 personnel data that serves as the baseline for the FY 2024 personnel budget request. At that time, agencies can make adjustments for any position data elements that need to be updated (step, location, fund split, etc.). During this process, DBM also asks agencies to confirm the 3-year position FTE allocation ("PIN counts") by program, or Position Control (POSCON), to ensure DBM's records are correct. This process must be completed **no later than August 27, 2022** or with the agency's larger budget submission, whichever comes first.

Before agencies complete the POS REC exercise, DBM applied across the board updates in BARS as follows:

1. Updated position data with salaries based on the July 1, 2022 salary schedule to reflect FY 2023 salary enhancements (including increments as of January 1, 2023) and associated fringe values calculated with current rates.
2. Updated Object 01 data in each respective comptroller object (0101, 0151, retirement, 0174) by fund type based on the PIN fund splits provided with the FY 2023 position data.

Like last year, salaries and fringes (0101, 0151, retirement, 0174) will be "Read Only" in the Expenditures tab in BARS once the Position Reconciliation exercise has been completed.

OBA provides the following guidance regarding position realignment between programs:

- FY 2024:** During POS REC, agencies may realign positions between programs provided the FTE counts are equal to the POSCON agency total. After Position Reconciliation, this action is discouraged and DBM recommends that agencies do not take the additional effort to further realign positions as it complicates the budget submission process.
- FY 2023:** DBM will limit FY 2023 adjustments to material changes such as DBM approved reorganizations. Agencies may only realign positions between programs through a FY 2023 budget amendment adjustment so that Object 01 position and budget data reconcile. Contact your DBM analyst if you want to implement a FY 2023 position realignment – DBM discourages mid-year reorganizations.
- FY 2022:** DBM will limit FY 2022 adjustments to material changes such as DBM approved reorganizations. DBM will provide separate guidance in August for completing the FY 2022 Central Payroll Bureau (CPB) actual expenditures and FTE counts.

### **Position Reconciliation (POS REC) Guidance**

Agencies will begin the POS REC process for the FY 2024 Budget Submission in July 2022. During POS REC, agencies will have the ability to process all needed position adjustments in BARS through to the "Released" (i.e. finalized) stage. Position adjustments processed during POS REC will be fully incorporated into the Expenditures grid in BARS and become a final part of the budget request. Once POS REC is complete, agencies will be instructed to notify DBM that the task is complete by sending an email to [dlbudgethelp\\_dbm@maryland.gov](mailto:dlbudgethelp_dbm@maryland.gov) and copying the OBA analyst. Agencies must complete POS REC by the due date provided in the DBM guidance letter.

For more detailed guidance regarding POS REC, including how to complete all work in BARS and review prior year actuals, refer to the Position Reconciliation Guidance and Instructions user guide, sent via email and also on the Budget Instructions page.

### Salary Tables for the FY 2024 Budget

Refer to Appendix 1 for salary rates.

- The salary schedule effective July 1, 2022 is the basis for FY 2024 salaries in BARS and incorporates:
  - Annualized Cost of Living Adjustments (COLA) of 1% and AFSCME COLA of 2% as of January 1, 2022
  - COLA of 3% as of July 1, 2022
  - Annualization of January 2022 increment as of July 1, 2022
  - Annualization of FY 2023 increment as of January 1, 2023
  - SLEOLA COLA of 7% as of July 1, 2022
  - Annualization of FY 2023 SLEOLA increment as of January 1, 2023
- **For FY 2024, DBM will provide funding in the DBM Allowance budget for any FY 2024 salary adjustment for COLA and/or SLEOLA negotiated collective bargaining provisions. For positions supported by general funds, additional general funds will be provided. For non-general fund positions, the agency will need to use non-general funds to cover the increased cost.**

#### A.4.2 Fringe Benefits - Object 01

Agency budget submissions include both regular earnings (subobject 0101) as well as additional earnings such as additional assistance, overtime, shift differential, miscellaneous adjustments and reclassifications. **It is critical that agencies properly calculate fringes for these different types of earnings and budget the fringes in the correct subobject per the detailed guidance on fringe calculations in Section A.1.** Below are descriptions regarding a subset of fringes with particularly complicated calculations or nuances.

#### Accrued Leave Payout (Comptroller Object 0111)

This object is used for accrued leave payout for long-term employees who leave State service. Please adhere to OMB Circular A-87, Title 2 of Code of Federal Regulations, when budgeting for accrued leave payouts related to federal funded positions. **Some portions of leave/severance payments cannot be charged directly to federal programs because such charges violate this regulation. The pertinent sections of the regulation are copied below.**

#### Appendix B to Part 225, 8.d.:

(2) The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: (a) they are provided under established written leave policies; (b) the costs are equitably allocated to all related activities, including Federal awards; and, (c) the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit.

(3) When a governmental unit uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component.

(4) The accrual basis may be only used for those types of leave for which a liability as defined by Generally Accepted Accounting Principles (GAAP) exists when the leave is earned. When a governmental unit uses the accrual basis of accounting, in accordance with GAAP, allowable leave costs are the lesser of the amount accrued or funded.

[https://www.whitehouse.gov/wp-content/uploads/legacy\\_drupal\\_files/omb/federal\\_register/FR2005/083105\\_a87.pdf](https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/federal_register/FR2005/083105_a87.pdf)

### COVID-19 Salary Costs - Comptroller Subobject 0125

BARS validation requires that the salary position data by fund type must reconcile to the expenditure data by fund type. To the extent that positions are supported by COVID-19 funding, the salary data would need to be linked to fund 25 (CARES), 35 (CRRSA), or 45 (ARPA) to reflect Covid-19 federal funding depending on which stimulus bill the funding came from. This would be time prohibitive for agencies. To capture COVID-19 salary costs while not requiring each BARS position to be updated using federal relief fund types, DBM has created comptroller subobject 0125 to allow agencies to designate COVID-19 salary and fringe costs. Agencies should use comptroller subobject 0125 to budget for total salary and fringe expenditures (comptroller subobjects 0101, 0151, 0152, 0154, 0161-0170, 0174, 0189), associated with position funding supported with COVID-19 federal fund support.

Use of 0125 does not apply to higher education institutions.

More specifically, in the agency Position detail grid within BARS, related positions will remain funded by standard federal funds (fund 05). Therefore, the Expenditure grid (which must match Positions) funding will have 05 for all salary and fringe comptroller subobjects. Then, in comptroller subobject 0125 those fund type 05 values will be netted out with a negative, along with a positive in fund type 25 (CARES), 35 (CRRSA), or 45 (ARPA). Example:

- Two positions in a subprogram are to be supported by ARPA funding, fund source 11.111e.
- On the Position tab in BARS, both positions will be listed as 100% federal funds.
- On the Expenditure tab in BARS, comptroller subobjects for these positions are listed under federal funds/fund type 05 (0101, 0161-0169, 0174, and 0189) and net to \$200,000.
- In comptroller subobject 0125, the agency would put negative \$200,000 in FF/05 and positive \$200,000 in fund type 45.
- On the Revenue tab, the program would have \$0 in standard federal funds for those two positions as they have been netted out, but there would be \$200,000 in 11.111e.

### FICA Contributions (0151)

Subobject 0151 – FICA will be automatically calculated within BARS during the Position Reconciliation process based on each position's class code and step, using the calculation in Section A.1. **As in FY 2023, FICA (subobject 0151) in BARS will only be calculated on regular earnings (0101), while FICA for other earnings subobjects—including 0102, 0104, 0105, 0110, 0111, and 0112—should be budgeted within the subobject.** Agencies may be asked to provide supporting information that outlines the computation of these other earnings subobjects.

### Employee Health Insurance (0152) and Retiree Health Insurance (0154)

BARS will validate that agencies budget employee health insurance (0152) and retiree health insurance (0154) at the same level as the FY 2023 legislative appropriation. Specifically, the agency budget submission for 0152 and 0154 must reconcile agency-wide with FY 2023, **by fund type**. Like other controlled subobjects, DBM will determine the final health insurance rate, with agency input, for each agency in December. Note that BARS already populates these values. **Agencies are encouraged to realign the health insurance request to programs/subprograms with budgeted positions. Appendix 2 provides your agency's average rate for 0152 and 0154 per FTE based on the FY 2023 legislative appropriation. This rate will assist with allocating costs by budgeted positions.**

As in the past, DBM requests that agencies with health insurance supported by non-general funds prepare for the cost of possible rate increases by setting aside special and federal fund balance for this expense.

#### A.4.3 Additional Position Requests - Object 01

Agencies must submit new position requests as an over-the-target request through a BARS Over-the-Target adjustment type. Every effort should be made to meet agency needs within the existing workforce before requesting new positions. **ALL new position requests, including contractual conversions, must be requested as over-the-target items.** The over-the-target requests must be limited to demands from major workload growth already in effect, new facilities already approved, new mandates, program transfers that cannot be met by reallocations, and federal contracts and grants.

Any new position, if approved, will be updated in BARS through DBM's approval of the agency's over-the-target adjustment item in December. The BARS adjustment requires R\*STARS location, number of positions (decimal equivalent), class code, step, increment month, retirement code, fund type percentage and justification. New positions, other than contractual conversions, are to be requested at the base salary even though recruitment for the position may be planned at a higher step. The agency can budget the salary and fringe difference in comptroller subobject 0112 – Reclassifications if the agency plans to hire the position above base. Contractual conversions should be budgeted no greater than one step above the grade/step of the current contract.

All of the following conditions must be met for new position requests to be given consideration:

- There is a justified need for and a benefit from the new position (quantifiable workload).
- The work cannot be absorbed by existing staff, student help, patient/inmate labor, or positions reallocated from other areas (program discontinuations or excessive vacancies).
- The function is expected to be needed for at least three fiscal years.
- The need is for a full-time employee at least 40 weeks during the year, unless the request is for less than one full-time equivalent (FTE) position.
- If the agency is not requesting general funds for the position, the funding for the position (federal/private/local government grant program, special fund revenue, or student government fees) is reasonably expected to be available for more than three years.
- The budgeted turnover rate for the agency does not exceed 5.9%. If the budgeted turnover is 6.0% or greater, the agency should realign existing vacant positions and potentially submit an over-the-target for a turnover reduction.

Please feel free to contact your DBM analyst for process clarification.



## Contractual Conversions

Agencies may request contractual conversions as an over-the-target and only as part of an overall staffing plan that eventually significantly reduces the total number of authorized contractual FTEs. New positions may be requested to replace contractual employees (subobject 0220) only when all of the following conditions are met:

- There is a justified need for an employee.
- The employee is not student help, patient labor, or an inmate.
- The function is expected to be needed for at least three fiscal years.
- The need is for a full-time employee, or at least 32 hours a week, for 40 weeks during the year.
- The funding for the position (federal/private/local government grant program, special fund revenue, or student government fees) is reasonably expected to be available for more than three years.
- The contractual position and funding were approved in the FY 2023 legislative appropriation.
- Funding for the conversion is currently included in object 02 within the target and there is a corresponding reduction in contractual positions (object 02) if the conversion is approved. The amount for a new position must include FICA (0151), retirement (0161, 0163, 0165, 0168, 0169), unemployment compensation (0174), and turnover (0189). Do not include any amount for workers' compensation (0175) or health insurance (0152/0154).
- Agencies should give priority for contractual conversions to existing workers who have been working in a contractual capacity for at least two years.
- Agencies are expected to include in the over-the-target request how 1.5 authorized contractual positions will be eliminated for each requested contractual conversion to a PIN, including specific contractual PIN numbers from Workday.

### A.4.4 Pay Plan Adjustments and New Classifications

Agency requests for pay plan and salary adjustments to existing classifications and for the creation of new classifications must be submitted as part of the FY 2024 budget request. Agency requests for pay plan adjustments outside the budget process will be considered only in order to address an immediate necessity that, if not addressed, will significantly impede the agency from achieving its mission, goals, and objectives. Agencies should submit all pay plan adjustments no later than October 15, 2022.

Agencies must complete DA-25A and DA-25B forms when requesting a salary adjustment to one or more job classifications or the creation of one or more classifications in FY 2024. **If salary adjustments are approved by DBM and the Governor, DBM will include related funding in the DBM budget at the time the Governor submits the budget to the General Assembly, and if approved by the General Assembly, will disburse funding to the requesting agency via a budget amendment at the beginning of the fiscal year.** Therefore, no funding for pay plan adjustments should be included in the agency's FY 2024 budget request.

DA-25A and DA-25B forms can be found on DBM's website under "Forms" on the Budget Instructions page.

DA-25A Form – WORD Document: This form is used to provide sufficient supporting justification for the request by addressing the following items:

1. Why are the pay plan adjustments or new classifications necessary? Why is this job series critical to the agency or program goals and objectives? The explanation should outline how the current or proposed salary structures will impact the outcomes for the agency and/or program (list the specific Managing for Results goal, objective, and measures).
2. List any alternatives to address the issues that would not require the establishment of a new classification series or salary adjustment. List steps that have been taken to address recruitment and retention issues with existing resources.
3. List the impact of this proposal on other classifications within the agency.
4. Provide any additional documentation that supports this request.

**DA-25B Form – EXCEL Document:** This form is used by agencies to outline specific positions and costs associated with the request. The following information is required:

1. List **current** grade, step, and salary by PIN to be impacted by the pay plan adjustment.
2. List **proposed** grade, step, and salary by PIN to be impacted by the pay plan adjustment.
3. Outline the fringe benefit costs associated with the proposed pay plan adjustment.

**Requests must be submitted electronically in priority order no later than October 15, 2022 to Kurt Stolzenbach at DBM: [kurt.stolzenbach@maryland.gov](mailto:kurt.stolzenbach@maryland.gov), copying your budget analyst at OBA.** It is not necessary for agencies to submit duplicate requests to the Office of Personnel Services and Benefits (OPSB). OBA works closely with OPSB to review requests for pay plan adjustments or new classifications and provides OPSB with the supporting documentation to review such requests.

#### *A.4.5 Reorganizations*

The Department of Budget and Management (DBM) will only permit agencies to reflect a reorganization in BARS for reorganizations approved by DBM and the Office of Personnel Services and Benefits (OPSB) that is effective July 1 of the current year (July 1, 2022 for the FY 2024 budget request). This policy will avoid mid-year reorganizations that make reconciliation difficult for position and budget data as the Central Payroll and FMIS source data reflect both the old and new organizational structure.

An agency reorganization is defined as a change in the organizational structure of an existing unit, section, program or division within an agency or department or State principal service operation that creates new supervisory, managerial, or executive positions or results in the realignment of existing supervisory, managerial, or executive positions. These reorganizations typically create new reporting relationships for supervisors, managers, or executives and prompt a request to upgrade existing positions or create new and higher-level classifications.

Agency reorganizations that impact the salary level of a position or positions will require approval of the Office of Budget Analysis (OBA) within DBM. **Agencies must obtain OBA approval prior to OPSB review of the appropriateness of the requested salary level(s).**

During FY 2023, agencies should submit reorganizations no later than March 1, 2023 so that the proposal can be reviewed. If the proposed reorganization is approved, the new account code structure can be implemented within Workday and FMIS effective for July 1, 2023. The proposal should be forwarded to the OBA budget analyst for review of funding and organizational design. The proposal should include at a minimum:

1. The existing organization chart for the unit, division, program, or section affected.
2. The proposed new organization chart for the unit, division, program or section affected.
3. A justification for the proposal to include:
  - a. How the proposed change of organization or reporting relationships will benefit the agency; and
  - b. How the proposed change of organization or reporting relationships will promote efficient operations for the agency.
4. Estimates of the additional costs (or savings) of the proposed change of organization or reporting relationships for both:
  - a. the balance of the current fiscal year, and
  - b. the next fiscal year.
5. Designation of where the funds for any additional costs will come from by fiscal year.

Once approved by OBA, the agency may submit any reclassification requests associated with the reorganization to the Classification and Salary Division (CAS) within DBM's OPSB. Reclassification requests associated with reorganization that are submitted to CAS without the required OBA approval will be returned to the agency.

#### **Reorganizations Approved Effective July 1, 2022**

DBM will assist the agency to coordinate the implementation of the reorganization in BARS as part of the FY 2024 budget process. The reorganization realignment is to be reflected for all three fiscal years (FY 2022 Actual, FY 2023 Working Appropriation and FY 2024 Request) in both the salary and budget data. The data for the three years will be adjusted through the following process for each fiscal year:

- FY 2024:** Agency will reflect the reorganization as part of the budget request process by 1) moving the positions by PIN; 2) realigning appropriation; and 3) updating the fund source as appropriate.
- FY 2023:** Agency will create a BARS deficiency adjustment that 1) moves the positions by PIN; 2) realigns appropriation; and 3) updates fund source as appropriate. **Do not create the BARS deficiency without prior approval from OBA.**
- FY 2022:** Agency will create a BARS adjustment that 1) moves the positions by class code; 2) realigns appropriation; and 3) updates fund sources as appropriate.

#### ***A.4.6 Technical and Special Fees - Object 02 (Contractual Employee Budgeting)***

Contractual positions (State Personnel and Pensions §13-101) are workers having an employee-employer relationship with the State, but they are hired for a specific project or time period. Agencies must use the Contractual Positions Supporting Detail (SD) module within BARS to enter contractual positions for FY 2024.

**For the FY 2024 Budget Submission, BARS will collapse contractual position lines of the same class code into a single line within each chart of accounts down to the fund type by subprogram level. Agencies are required to provide justification for each contractual position using the Contractual Positions SD tab using the "Description" field. Agencies only need to enter detail for any changes from FY 2023 to the**

Budget Year (BY) in FY 2024, as well as any necessary edits to the Prior Year (PY) actuals in FY 2022. More detail regarding use of the Contractual Positions SD tab can be found in the related user guide.

Agencies should take a “zero-based” approach to budgeting contractual positions. Any contractual position that can be eliminated should not be renewed (reductions can be initiated in FY 2023) and should not be funded in FY 2024.

Note that additional funding will **not** be provided via target adjustment to allow increases to contractual salaries similar to those provided to regular positions due to collective bargaining agreements. If agencies choose to adjust contractual salaries, that is their prerogative, but funding must be found within the budget target.

Detailed guidance on contractual fringe calculations can be found in [Section A.1](#). However, turnover has specific nuances necessitating further detail.

### **Turnover (0289)**

Contractual turnover should be computed on the sum of subobjects 0220, 0213, and 0214 for each subprogram (or program if subprograms are not used) and entered as a negative amount in a record for comptroller object 0289. In FY 2024, each agency should budget contractual turnover based on the agency’s turnover rate for permanent positions plus an additional 4.21% to account for a “reasonable” vacancy rate for the 11 annual holidays that contractual employees will not receive compensation for in FY 2024. For example, if the vacancy rate for permanent positions in a given program is zero, 4.21% should be the turnover rate, since the employees will not receive compensation for the 11 holidays. If the vacancy rate for permanent positions is 5%, the total turnover will be 9.21%.

### **COLA Funding in 0299**

When processing FY 2023 amendments providing funding to agencies for contractual COLAs and increments, DBM placed funding in 0299. For the FY 2024 budget submission, agencies must **realign this funding in FY 2024** from 0299 into 0220 prior to submission. Agencies can leave funding in 0299 for FY 2023 during the FY 2024 budget submission.

## A.5 Budgeting for Operations (Non-Personnel)

Much of the information needed to determine correct budgeted amounts for object 03 - 14 can be found in Section A.1 of this document. This section provides information regarding certain subobjects that warrant additional information.

### A.5.1 *Travel - Object 04*

#### **In-State Travel: Routine Operations (0401) and Conferences/Seminars/Training (0402)**

Agencies should budget in-state travel expenditures in subobject 0401. These costs include tolls, parking fees, and the private mileage reimbursement rate of 62.5 cents per mile.

Note that the mileage reimbursement rate is tied to the Federal reimbursement rate which usually changes in January each year and is updated in the State travel regulations. The rate can change mid-year under extraordinary circumstances, and agencies will be notified during those instances. Meals may be reimbursed in accordance with State travel regulations at the following amounts:

Breakfast:	\$15.00
Lunch:	\$18.00
<u>Dinner:</u>	<u>\$30.00</u>
Maximum per day:	\$63.00

Please refer to the State travel regulations on the DBM website for further guidance, including information regarding out of state travel.:

<http://www.dbm.maryland.gov/Pages/TravelManagementServices.aspx>

### A.5.2 *Fuel and Utilities - Object 06*

Calculations for fuel and utilities generally reflect a historically-based usage projection multiplied by a rate or the FY 2022 actual adjusted by an inflation rate. Agencies should include any necessary adjustments related to space utilization in the calculation.

**Inventory of Buildings:** Agencies should calculate fuel and utilities based on the square footage of each building served, and be able to provide that data on a line-item level (i.e. "Gas heat/electricity for X square feet for Field Office in Cumberland") upon request. This data does not need to be entered into BARS.

**University System of Maryland (USM) Institutions:** Due to the specific energy usage changes and needs of each institution, USM should utilize its own electricity and natural gas projections for FY 2024.

**MES Charges:** If an agency is working in a collaboration with the Maryland Environmental Service (MES) that may result in a facility being added to the MES reimbursable charges schedule, please inform the OBA analyst as well as Tom Jones at [tom.jones2@maryland.gov](mailto:tom.jones2@maryland.gov) as soon as possible.

**Fuel – Natural Gas/Propane (0606):** Agencies that use natural gas procured by the Department of General Services (DGS) should level fund the FY 2024 request with the FY 2022 actual expenditures, except for University System of Maryland (USM) institutions. Energy market projections are volatile due to geopolitical factors, and as such DGS is estimating that natural gas expenses may increase more than 55% in FY 2024. DBM will monitor these projections and address additional costs for state agencies closer to

the beginning of the fiscal year. However, non-General Funded agencies should keep rising energy costs in mind and plan to absorb some increases with non-General Fund revenues and fund balances.

**Utilities – Electricity (0620):** Agencies consuming electricity procured by DGS should request FY 2024 funding in line with the FY 2022 actual expenditures, except for University System of Maryland (USM) institutions. Due to specific energy usage changes and needs at each institution, USM should utilize its own electricity projections for FY 2024. Energy market projections are volatile due to geopolitical factors, and as such DGS is estimating that electric power expenses may increase more than 40% in FY 2024. DBM will monitor these projections and address additional costs for state agencies closer to the beginning of the fiscal year. However, non-General Funded agencies should keep rising energy costs in mind and plan to absorb some increases with non-General Fund revenues and fund balances.

No state agency may purchase electricity in the State's competitive electric utility market until DGS and the Maryland Energy Administration ensure that the purchase is consistent with the State's strategy.

**Loan Repayment - Energy Conservation Project/State Agency Loan Program (0698):** Agencies can find the schedule for EPCs and SALP as of May 2022 in Appendix 3. If an agency plans to initiate a new EPC and/or SALP loan, the amounts on the schedule should be increased. If the request deviates from the schedule in Appendix 3, agencies should be prepared to explain how the request is derived and why it differs from the schedule. Questions about the appendix should be directed to Carissa Ralbovsky at [carissa.ralbovsky@maryland.gov](mailto:carissa.ralbovsky@maryland.gov).

#### *A.5.3 Motor Vehicle Operations and Maintenance - Object 07*

The budget process is the most appropriate method for requesting vehicles versus “out-of-cycle” requests.

Each agency should carefully consider the use of its motor vehicle fleet in terms of annual mileage and consistent use before submitting requests for replacement or additional vehicles. This fleet review should include an effort to downsize the fleet, especially for vehicles assigned to headquarters staff. Fleet analysis must include a review of field staff vehicle usage. From a cost savings standpoint, field staff currently traveling in private vehicles that generate excessively high mileage (10,000 miles annually) and consequently high privately owned vehicle (POV) reimbursements, are strong candidates for State motor vehicle assignments.

Agencies must submit the FY 2024 budget request for vehicles with a **DA-8 form**, in Excel format, described in additional detail later in this section. **On the DA-8, please submit just one tab of data per agency.**

#### **Electric Vehicles**

In FY 2024, 25% of vehicles purchased for the State Fleet must be electric vehicles (zero-emission vehicle (ZEV) equivalent). As a result, the DA-8 form has been revised to include two new columns where agencies must indicate whether the vehicle being replaced can be a ZEV, and a justification for any non-ZEV requests.

Due to the current fluctuations in the estimated purchase price for ZEVs, agencies are instructed to budget for and request gasoline vehicles. DBM, in consultation with the Department of General Services (DGS), will determine which vehicles will be replaced with ZEVs. The price difference between the ZEV and the

gasoline-powered vehicle will be paid by DBM utilizing funding from the Strategic Energy Investment Fund.

- Note that the justification for requesting a non-ZEV should NOT be related to the availability of charging infrastructure. DGS will consider all requests, including those at leased facilities, to determine what charging infrastructure can be implemented in FY 2024. The exception to this rule is take-home vehicles, which are not being considered for ZEV replacement at this time.
- DBM Fleet expects that ZEV equivalents will be available for all vehicle sizes and classes up to a ½ ton pick-up (6-C).

### **Replacement Vehicles**

An agency should determine whether all the vehicles in its fleet are essential to program operations. A concerted effort to downsize fleets will assist the overall budget process. All replacement vehicles will be budgeted and requisitioned by size and type. A vehicle may be considered for replacement if its mileage will exceed 100,000 miles by March 2024 and/or the vehicle is ten (10) years old or older. However, both standards are only indicators that a vehicle may be replaced; it is not the benchmark used for approval. DBM will review each vehicle request on a case-by-case basis. Requests to replace vehicles with lower mileage must be justified.

### **Additional Vehicles**

Additional vehicles should be requested only if:

- No existing vehicle can be reassigned to fill the need.
- The vehicle will be driven at least 10,000 miles per year.
- There is a cost savings (provide written justification).

### **Sport Utility Vehicles (SUVs)** (does not apply to law enforcement agencies)

Agencies are required to include justification for each replacement and additional SUV request, using DBM's Fleet Administration Unit (FAU) criteria:

- Description of the primary purpose or use of the vehicle and the frequency of its use. *Inclement weather is not a valid justification.*
- Detailed explanation of why the existing agency SUV fleet cannot be realigned to meet the need.
- Detailed explanation proving that purchasing a smaller or alternative type of vehicle does not meet the needs of the agency.
- Detailed explanation demonstrating that the vehicle will be operated off-road more than 20% of the year.

### **Pricing**

The price list for vehicles using regular and alternative fuel is located in Appendix 4. The price list provides estimated purchase prices to replace different types of vehicles. The prices must be adjusted by the estimated trade-in value of each vehicle, found in Appendix 5. Agencies should be prepared to provide justification for any deviation in price and trade-in value from those provided in this table.

Toward the end of FY 2022, vehicle prices showed significant increases due to several factors affecting the mass production of all vehicles. DBM Fleet worked with agencies, dealers and manufacturers to ensure the State had the ability to order vehicles as quickly as they became available for order, though at significantly increased pricing. The State still faces significant delays in vehicle deliveries with this situation unlikely to change in the next fiscal year. With that in mind, DBM Fleet projects at least a 4.5% price increase for most vehicles (compared to 2.5% normally) and at least a 40% price increase for all

pick-up trucks in FY 2023. For FY 2024, DBM Fleet has every expectation that additional price increases similar to FY 2023 will occur.

### DA-8 Detail Requirements

Each agency must fill out all sections of the DA-8 for replacement or additional vehicles for FY 2024, but not for prior year budgeted vehicles. The DA-8 must match the BARS submission total amount for new vehicle purchases (0701 or similar subobject) by subprogram by fund type. **Please submit one tab of data on the DA-8 per agency rather than having separate tabs for parts of an agency.**

As noted earlier, agencies must indicate if the requested vehicle can be a ZEV. Lack of charging infrastructure should NOT preclude an agency from requesting ZEVs except for take-home vehicles. Any vehicle on a DA-8 that is not marked as being a possible ZEV MUST include a justification for the request for a gasoline powered vehicle. To assist with the ZEV selection process, agencies must also provide:

- Daytime Location (Full Address, if applicable - for changing locations, “Field Work” or similar notation can be utilized)
- Nighttime Location (Full Address)
- Does Parking Location have 24/7 public access?

Agencies must choose between the following options in the “Vehicle Category” column:

Sedans	Rail
LTVs	Buses
Watercraft	Heavy Trucks
Aircraft	Misc./Other

All new and replacement sedans, if approved, will be the Type 1-Standard State Sedan unless adequate justification is provided for a different type of vehicle.

Agencies must also choose between the following options in the “Alternative Fuel” column:

None	Hybrid
CNG	Ethanol
Flex	

Each agency also should include the following information in the comment field:

- Explanation of why low-mileage replacement vehicles should be considered for approval (damaged beyond economical repair, will incur extraordinary maintenance costs, etc.).
- Reason that vehicles of one type are being replaced with a different vehicle type.

Agencies, such as the Maryland Department of Transportation and the Department of Natural Resources, that apply “add-on” characteristics to vehicles must use the Add-On Value and Comment column in the DA-8 form to indicate the price and detail for those purchases.

#### A.5.4 Contractual Services- Object 08

### BARS Detail

Agencies are responsible for providing complete contract detail for each year with the agency budget submission, including detailed descriptions that outline the purpose of the specific contract. This is done



using a combination of the Contract/Grants tab in adjustments and the Contract/Grant Maintenance module in BARS. Overarching rules for labeling contracts in BARS, based on DLS reporting requirements:

- Each contract greater than \$50,000 must be labeled separately with a specific contract name (i.e. not “Miscellaneous”).
- Even if a given contract spans multiple subprograms or fund types, the data lines across those subprograms and/or fund types should be labeled consistently with that contract name.
- If contracts are less than \$50,000, they should be combined into one line for each subprogram/subobject/fund type combination with “Miscellaneous” or “Miscellaneous Contract” as the contract name. For example, if an agency has four printing contracts that each amount to \$30,000 but total to \$120,000 in a given subprogram, they should be labeled as Miscellaneous in BARS and budgeted under comptroller subobject code 0804 (printing).
- Agencies should avoid budgeting any Miscellaneous expenses in subobject 0899, because then DBM/DLS has no context as to what the expenses are for. Be prepared to explain the detail behind any items budgeted under 0899.

Exceptions can be made for the \$50,000 threshold. Agencies should touch base with their OBA analyst if they believe they require exceptions.

Agencies should be prepared to provide justification regarding contractual services, explaining how larger shifts in costs were determined. Examples may include:

- Planned actual cost of the next year of an approved multi-year contract,
- Three-year average of expenditures plus inflation,
- Current contract plus inflation, or
- Projected rate times units of service.

For more information regarding how to use the Contract/Grants tab and the Maintain Contracts and Grants module, please see related user guides on the Budget Instructions page of DBM’s website.

### **Department of Information Technology (DoIT) Services Allocation (0876)**

During the FY 2020 budget development process, DBM worked with DoIT to consolidate the various DoIT-related costs that agencies faced (for 0305 telecommunications other than radios, 0876 Google/GIS, and other Enterprise-related billings) into subobject 0876. DoIT will only bill agencies for these exact amounts unless there is a separate MOU established outside of the Enterprise process to which both DoIT and an agency have mutually agreed.

The FY 2024 funding for 0876 in agency targets will match the FY 2023 legislative appropriation by fund type in BARS. Agencies can realign this funding across their agency, but cannot change the total amounts by fund type. DoIT will work with agencies during summer and fall of 2022 to update needed services.

### **Agreements Between a State Agency and a Public Institution of Higher Education**

Section 27 of the FY 2023 Budget Bill requires State agencies and public institutions of higher education to report to DBM by August 1, 2022 on any interagency agreements in place for any part of FY 2022 between them **in which total expenditures exceeded \$100,000**. This detail must include the following components:

1. a common code for each interagency agreement that specifically identifies each agreement and the fiscal year in which the agreement began;
2. the starting date for each agreement;
3. the ending date for each agreement;
4. a total potential expenditure, or not-to-exceed dollar amount, for the services to be rendered over the term of the agreement by any public institution of higher education to any State agency;
5. a description of the nature of the goods and services to be provided;
6. the total number of personnel, both full- and part-time, associated with the agreement;
7. contact information for the agency and the public institution of higher education for the person(s) having direct oversight or knowledge of the agreement;
8. total indirect cost recovery or facilities and administrative (F&A) expenditures authorized for the agreement;
9. the indirect cost recovery or F&A rate for the agreement and brief description of how the rate was determined;
10. actual expenditures for the most recently closed fiscal year;
11. actual base expenditures that the indirect cost recovery or F&A rate may be applied against during the most recently closed fiscal year;
12. actual expenditures for indirect cost recovery or F&A for the most recently closed fiscal year; and
13. total authorized expenditures for any subaward(s) or subcontract(s) being used as part of the agreement and a brief description of the type of award or contract.

Section 27 also requires agencies and institutions to receive approval from the Secretary of DBM before entering into any new higher education agreements in FY 2023 **in which total expenditures may exceed \$500,000.**

For additional information on reporting requirements, please refer to the reporting requirements on the website, <https://dbm.maryland.gov/contracts/Pages/InteragencyAgreementReporting.aspx>.

For additional information on the approval of contracts that exceed \$500,000, please refer to the website as well, <https://dbm.maryland.gov/contracts/Pages/InteragencyAgreementApprovals.aspx>.

#### A.5.5 *Supplies and Equipment - Objects 09, 10, and 11*

##### **Supplies and Materials (Object 09)**

Please refer to the Department of General Services website for statewide contracts for agency supplies at <http://dgs.maryland.gov/Pages/Procurement/BidsAwards.aspx>. For food and supplies for food preparation, select the “Food (Related)” category.

Agencies should be prepared to justify food requests - generally, the justification reflects the number of people served, multiplied by number of meals per day, multiplied by the number of days. In addition, the cost of the meals should be justified.

##### **Equipment: Replacement and Additional (Object 10: Replacement; Object 11: Additional)**

Agencies should be prepared to provide itemized justifications for requests for replacement and additional equipment. According to State law, agencies shall purchase equipment and furniture from Maryland Correctional Enterprises whenever possible, found at <https://mce.md.gov/Products.aspx>.

Another alternative is to use statewide contracts for equipment. Please refer to the Department of General Services website for furniture and equipment. The category of note would be “Office Equipment and Furniture,” at <http://dgs.maryland.gov/Pages/Procurement/BidsAwards.aspx>.

The Department of Information Technology has master contracts for computer equipment, found at <http://doit.maryland.gov/contracts/Pages/HWMasterContractHomepage.aspx>. In addition, see **Appendix 8** for more information regarding computer equipment prices as well as information on the technical definitions of various Comptroller Objects.

The schedule for payments of equipment purchased through the State Treasurer’s Office Master Equipment Lease Purchase Program can be found in **Appendix 7**. The schedule should be used to derive the amount to be budgeted in Comptroller Objects 1021, 1041, 1121, and 1141 (Capital Lease Payments to Treasurer).

#### A.5.6 *Grants, Subsidies, Contributions - Object 12*

Agencies are responsible for providing grant detail for each year with the agency budget submission for all object 12 expenditures, including detailed descriptions that outline the purpose of the specific grant. This is done using a combination of the Contract/Grants tab in adjustments and the Maintain Contracts and Grants module in BARS. Overarching rules for labeling grants in BARS, based on DLS reporting requirements:

- Each grant greater than \$50,000 must be labeled separately with a specific grant name (i.e. not “Miscellaneous”).
- Even if a given budgeted grant spans multiple subprograms or fund types, the data lines across those subprograms and/or fund types should be labeled with that one grant.
- If grants are less than \$50,000, they should be combined into one line for each subprogram/subobject/fund type combination with “Miscellaneous” or “Miscellaneous Grant” as the grant name.
- Agencies should avoid budgeting any Miscellaneous expenses in subobject 1299, because then DBM/DLS has no context as to what the expenses are for. Be prepared to explain the detail behind any items budgeted under 1299.

Exceptions can be made for the \$50,000 threshold, particularly if other chart of account labels (i.e. subprograms and related descriptions) help users identify the purpose of grant funding. Agencies should touch base with their OBA analyst if they believe they require exceptions.

#### A.5.7 Fixed Charges - Object 13 (Real Property Leases)

##### Non-DGS Rent (1301)

Subobject 1301 must be used for private lease agreements in which rental payments are not paid to the Department of General Services (DGS). Agencies should budget for the entire rental amount in accordance with the terms negotiated by DGS. **Agencies are encouraged to schedule a review of private lease agreements with the DGS Lease Management Division prior to submitting the FY 2024 budget proposal to assure that the lease data is still valid.** For further information, contact:

Kimberly White  
DGS Division of Lease Management and Procurement  
410-767-4516  
[kimberly.white1@maryland.gov](mailto:kimberly.white1@maryland.gov)

**NOTE:** Garage space rental must appear as subobject 0705 unless the entire garage or parking lot is being leased or such spaces are included in the building lease.

##### Insurance Premiums (1302)

1302 must be used for budgeting insurance premiums, with the **required FY 2024 schedule by agency provided in Appendix 6**. Specific questions regarding premiums should be directed to the State Treasurer's Office (STO) at 410-260-7684.

##### Rent Paid to DGS (1303)

Subobject 1303 is restricted and must be used for rental payments made to DGS. The lease schedules (Appendix 9) must be used to budget for the three components that comprise this subobject as follows:

1. Rental Payments to DGS for State-Owned Property: Agencies funded only with General Funds and occupying space in buildings operated by DGS do not pay rent and should not budget for rent for this purpose. Agencies funded with any portion of Special or Federal Funds that occupy space in buildings operated by DGS are required to pay rent to DGS based on the percentage of space occupied by special or federal fund positions. Agencies paying rent to DGS should budget the entire amount in subobject 1303. Agencies with legislative space will be billed at the full reimbursement rate regardless of whether the agency utilizes general funds or other agency funds. See Appendix 9 – State-owned Property Lease Schedule for FY 2024 charges. **Please contact your DBM budget analyst by August 7, 2022 if there are any projected changes to your square footage needs. DBM will make any needed adjustments in the FY 2024 Governor's Allowance.**

**Of note, there are substantial changes to the DGS rent schedule this year due to agency relocations out of State Center into leased facilities in Downtown Baltimore. Agencies with finalized moving dates as of the publishing of this schedule are reflected accordingly. Agencies in flux are highlighted in **GREY** in the schedule. These agencies should still budget to match the schedule, but should also know that adjustments may be made throughout the fall as DBM, DGS and agencies work to finalize**

the FY 2024 Governor's Allowance related to the moves. Any questions can be directed to [carissa.ralbovsky@maryland.gov](mailto:carissa.ralbovsky@maryland.gov).

2. Lease Oversight Charges: Charges are based on the number of leases and square footage per agency administered by the DGS Lease Management Division. Agencies should budget for lease oversight charges in accordance with the schedule in Appendix 9. DBM will make appropriate adjustments in the FY 2024 Governor's Allowance.

Agencies with lease oversight charges in flux due to planned moves from State Center will be highlighted in **GREY** in the schedule. These agencies should still budget to match the schedule, but should also know that adjustments may be made throughout the fall as DBM, DGS and agencies work to finalize the FY 2024 Governor's Allowance related to the moves. Any questions can be directed to [carissa.ralbovsky@maryland.gov](mailto:carissa.ralbovsky@maryland.gov).

3. Reimbursable Leases: The reimbursable lease schedule covers debt service and operating costs of buildings owned by local jurisdictions that the State will acquire once bond obligations have been satisfied. Agencies should budget for reimbursable leases in accordance with the lease schedule in Appendix 9.

#### A.5.8 Land and Structures - Object 14 (Operating Maintenance)

##### Agency Maintenance

An agency's ongoing, preventive maintenance should be reported and requested in the agency's budget submission under the appropriate subobject code. Higher education institutions should include all facility-related projects in their budget requests since these projects and funds are not administered by DGS.

##### DGS Administered Maintenance

Operating maintenance projects administered with DGS funding should not be included in an agency's budget request submission. Additionally, the budget submission should exclude any funding for capital projects supported by general funds.

All agency operating maintenance needs should be coordinated directly with DGS prior to the submission. All new or additional operating maintenance projects to be considered for funding should be sent directly to DGS at the address below. Your assigned DBM budget analyst should be made aware of any submissions. DGS will send packets out to agencies for project justifications in November, at which time agencies are required to review all of their previously submitted projects.

If you have any questions, please contact:

Courtney League  
Acting Assistant Secretary - Design, Construction & Energy  
Department of General Services  
410-767-5516  
[Courtney.League@maryland.gov](mailto:Courtney.League@maryland.gov)

##### PAYGO Capital Projects

PAYGO capital appropriations fund projects that are paid for with General, Special, and Federal Funds as part of an agency's operating budget. Make sure that PAYGO operating submissions match your capital

budget submission to the DBM Office of Capital Budgeting. Do **NOT** allocate General Obligation Bond funding in the FY 2024 operating budget request. **Funding for PAYGO projects should not be budgeted in normal operating programs. It should be budgeted in the applicable PAYGO (capital) program within your agency.**

When multiple **PAYGO** capital projects are budgeted in the same eight-digit **non-transportation** program, each project is to be budgeted in a separate subprogram, including projects that may be added in the FY 2024 allowance. If a project spans more than one reporting year, the same subprogram should be used across all years for comparison purposes.

Agencies should work with their budget analyst to identify subprograms for **new PAYGO capital projects** to be added in FY 2024. One example of a designated PAYGO program having more than one capital project, each budgeted in its own subprogram, is D55P00.04, Department of Veterans Affairs, Cemetery Program/Capital Appropriation. This program was broken down into five separate subprograms, each representing different cemetery projects at separate locations.

The following programs have had more than one project in prior year budgets, and meet the stated reporting protocol:

Department	Program(s)
Department of Planning	D40W01.11
Military Department	D50H01.04
Department of Veterans Affairs	D55P00.04
Department of Natural Resources	K00A05.10, K00A14.01
Department of Agriculture	L00A11.11, L00A12.13
Interagency Commission on School Construction	R00A07.02
Maryland Higher Education Commission	R62100.47
Department of Housing and Community Development	S00A24.02, S00A25.07, S00A25.08, S00A25.09, S00A25.15, S00A25.16
Department of the Environment	U00A01.03, U00A01.04, U00A01.05, U00A01.11, U00A01.12

If you need additional guidance, contact your DBM analyst or Carissa Ralbovsky at [carissa.ralbovsky@maryland.gov](mailto:carissa.ralbovsky@maryland.gov).

## A.6 Over-the-Target Requests

DBM does not encourage agencies to submit an over-the-target request.

A maximum of **ONE** over-the-target request from any department or independent agency will be considered.

Prior to submitting an over-the-target request, agencies should attempt to identify efficiencies and low-priority programs that can be reduced, resulting in savings that can be reallocated instead of asking for additional resources. Agencies are also encouraged to pursue interagency collaborations and other innovative proposals to reduce costs. Agencies should consult with their budget analyst about the need being addressed, the related strategies, and measurable outcomes while developing their request. Requests that address critical operational needs or items specifically endorsed by the Governor will be given priority over requests for new programs. **Over-the-target requests will not be considered on an agency-by-agency basis. Each request will compete with all other requests in the State.**

**Any requests for new positions, including contractual conversions, must be submitted as an over-the-target request and should not be included in the budget submission or Position Reconciliation process.** BARS will prevent agencies from attempting to add positions through their baseline budget request. Contractual conversions funded within the agency's base budget (i.e. the agency is requesting PIN authorization but not additional funds) will not count against the limit of one request per agency.

With the exception of the few agencies that do not submit in BARS, all over-the-target requests **must** be submitted to DBM as an "Agency Over the Target Request" adjustment in BARS. If your agency does not use BARS, please work with your OBA analyst to ensure you are getting them all of the information they need to do so on your behalf. The information provided in this BARS adjustment is used by DBM staff to understand both the costs and the programmatic impacts of the request. Thorough yet concise information allows for a comprehensive analysis and comparison of all requests across the State.

An over-the-target request must be submitted concurrently with **(not after)** the FY 2024 base budget submission.

If an agency submits more than one over-the-target request, the agency or department will be asked to prioritize the requests, and only the first is guaranteed to be considered. **Multiple items (i.e. multiple funding purposes) should not be combined into one request.**

Key guidance/best practices for entering an over-the-target in BARS:

- Overview Tab – Adjustment Naming Convention. The adjustment name should reflect the purpose of the additional funding being requested. For example, if 2022 legislation passed requiring implementation of a new program but was not accompanied by a funding mandate and no funding was provided in the target, the name of the adjustment would be the title of that new program (maybe even including the Chapter number of the corresponding legislation). As another example, if the request is for three new vehicles it could be named "3 Additional Sedans."
  - Again, **multiple items with different purposes should not be combined into one adjustment.** Agencies should not combine over-the-targets of different initiatives solely to meet the single request criteria. In the rare instance of an agency being given prior OBA

approval to submit more than one over-the-target request, the agency must submit each request as a separate adjustment.

- Overview Tab – Description Field. Use this field for a less formal description of the request, including any supplemental explanatory notes for the included costs that you want to share with your OBA analyst. Some text entry is required to pass BARS validations.
- Narrative Tab – Impact Field. Some text is mandatory. Use this space to provide in-depth explanations of the positive impact that the additional funding would have on your performance, operations, etc. Be thorough—the more information that is provided here, the fewer questions your OBA analyst will have. Note that this field is a carryover from old DA-21 forms pre-BARS if that helps provide context.
- Narrative Tab – Justification Field. Some text is mandatory. Use this space to provide additional in-depth information regarding why this request should be funded. Be thorough—the more information that is provided here, the fewer questions your OBA analyst will have. Note that this field is a carryover from old DA-21 forms pre-BARS if that helps provide context.
- Other Tabs. Complete the remainder of the tabs the same as any other adjustment type.

### **Information Technology Over-the-Target Requests**

Agencies seeking to obtain approval and funding for a new Major Information Technology Development Project (MITDP) must submit an “Agency Over the Target Request” adjustment in BARS. These requests will not count against the cap of one over-the-target. Agencies must also submit an Information Technology Project Request (ITPR) to the Department of Information Technology (DoIT) and send a copy of the ITPR to the OBA budget analyst. **The amounts listed in the adjustment in BARS and the ITPR forms must match.**

Make sure that the “Narrative” tab in the BARS adjustment includes an estimate of the Total Project Cost (TPC), which is equal to the cost from project initiation through one full fiscal year of operations and maintenance after implementation. DBM will work closely with DoIT to validate the feasibility of the request, assess the agency’s capacity to manage a major project, and evaluate the affordability of the project. **For ongoing MITDPs, the funding for each year of a MITDP must be carefully reviewed by the agency budget staff and DBM staff. Please carefully align the budget and ITPR to reflect any changes in the scope of the MITDP. Any special and federal fund sources to be used to support the project should be identified in the budget request.**

*For more information, please refer to the DoIT ITPR Guidelines and Instructions found at <http://doit.maryland.gov/policies>. Information Technology Master Plans are required of all agencies.*



## **A.7    Agency Reductions**

**New this year!** DBM is not requiring agencies to submit any agency reduction options during the FY 2024 budget season.

## B. BUDGET SUBMISSION

### B.1 Best Practices for Budget Submission

To assist agencies with the completion of the FY 2024 Budget Submission, DBM has generated a list of best practices that are applied by the most successful agencies during the budget submission process. Many of these best practices are strategies for using the BARS budget system. DBM encourages agencies to utilize the following guidelines during the FY 2024 Budget Submission season, where applicable.

#### BARS Support

- Hierarchy of Support. Use the “Support” button in BARS and related user guides—also available along with videos on the DBM Budget Instruction website—to diagnose issues with adjustments or processes in the system. If the problem persists:
  - If there is an Application Error, contact the service desk ([service.desk@maryland.gov](mailto:service.desk@maryland.gov)). Again, please **only do this if there is an Application Error** not for any other questions or issues in BARS.
  - If there is a Chart of Accounts or Fund Source change needed, contact the DBM Budget Processing Team ([dlbudgethelp\\_dbm@maryland.gov](mailto:dlbudgethelp_dbm@maryland.gov)) and copy your OBA analyst.
  - If there is any other issue, contact your OBA analyst (and additional OBA staff, if instructed) as issues arise.

#### Position Data

- Update Workday Data. Maintain and manage agency position data in Workday actively through the year (for SPS agencies). Agencies are **strongly encouraged** to have all location data (unit, program, and subprogram) as well as job classification and step information for filled and vacant positions updated in Workday before beginning budget submission.
- Copy Workday Data. Use the “Copy Workday” function in BARS during the Position Reconciliation (POS REC) exercise to the extent that the information is well-maintained in Workday. This **significantly reduces** the amount of time required to update each PIN individually in the system for the Budget Year. Copying Workday data also automatically updates the vacancy status for each position.
- Limit Position Adjustments to the POS REC Process. Submit all changes to positions during POS REC such that no additional position-related adjustments are necessary later in the FY 2024 budget submission. Position data is the most complicated data in BARS, and adjusting positions outside of POS REC is the most common cause of data defects in the system. Completing position adjustments first also saves agencies a significant amount of time later in the submission process given that personnel costs drive most budgets.

#### Agency Training and Coordination

- Budget Instructions Reading. Emphasize that all staff responsible for the budget should read Section I.1 “New and Reminders for FY 2024” and Section A.1 “Standard Rates and Schedules.”

These sections represent the most important information for agency fiscal staff where DBM lists rates or recommendations have changed year-over-year.

- Communication with Regional Offices. Engage regional offices well in advance of the budget submission deadline during the spring and summer interim to determine needs. Agencies are encouraged to use the interim to set expectations of what should be requested through the budget and how the submission process should proceed.
- BARS Training Review.
  - Develop internal training for onboarding new or existing staff onto the BARS system. Agencies are encouraged to engage their budget analysts and the Office of Budget Analysis during the spring and summer to gain mastery with the BARS system, particularly in budget requirements that were pain points during the prior year's submission.
  - Engage staff in internal review after the finalization of the Governor's Allowance to identify opportunities for improvement in using BARS during the interim. Talk to your OBA analyst early if your agency needs individualized training on some aspect of budget submission.

### **Data Entry in BARS**

- Frequent BRSs. Run the Budget Request Submission (BRS) module early and often, even before the agency is ready to submit. The BRS module has tabs that report the various BARS data that makes up the submission, and reviewing this data can (a) help agencies to ensure that the data in BARS matches what they expect submission numbers to be and (b) give agency coordinators a sense of the remaining work required for the submission. Also, try submitting the BRS but omit the Workflow comment to ensure failed validation (so the submission does not go through before the agency is ready). This will bring up any validation rules the BARS data is failing, enabling coordinators to identify wider issues with the budget submission (i.e. validation errors).
- Downloading to Excel. Download the BARS grids from each of the data entry tabs in BARS to Excel to assist in updating data for BARS (using BARS exports ensures that data will be in the correct format for import). In agencies where there are field offices responsible for the update and submission of their own budget, DBM recommends downloading those budget grids for each individual office from BARS and distributing them for update and completion.
- Maintaining Exported Templates. Export and save grids from BARS as a backup. Create an internal file structure to save these exported grids as information is added and adjustments are made. If changes are required to data entered by the agency, it may be easier to update the exported Excel file and re-import the data into an existing adjustment than to micromanage multiple lines in a BARS grid.

### **Submission Data Management**

- Use Ad Hoc! Use ad hoc reports to confirm adjustments as they are entered into the BARS budget system. Ad-hoc may be used:
  - before adjustments have been "Released" to identify areas where additional detail needs to be loaded, or

- to check items as they are being loaded into BARS to get a sense if those adjustments were loaded into BARS as intended.

A number of pre-formatted ad-hoc templates are available for download from BARS, including reports displaying Budget Year GF Target Tracking, 3 Year Expenditure, 3 Year Revenue, 3 Year Adjustment Tracking, and SD Tab related reports. These can be found under “Ad Hoc Reporting” in the top banner in BARS. If you need help with setting up an ad hoc report, please reach out to your OBA analyst.

- **BARS Reports.** Agencies are also encouraged to use Reports in BARS to observe what is currently “Released” or baseline in the system. Reports may be expanded to view detail from adjustments in mid-flight by selecting adjustments with the “Draft” or “Program Reviewed” status in Reports. The “Agency Adjustment Summary” is particularly helpful in managing agency workload, as it provides agencies with a summary of all of their budget adjustments for the three-year budget submission window.

### Submitting the Budget - The Budget Request Submission (BRS) Module

- **Requests for Additional Funding.** Submit Over-the-Target and Deficiency requests **alongside the budget request** using the Budget Request Submission (BRS) module. DBM will not accept additional requests outside of the system or submitted after the main agency budget for the FY 2024 budget submission.
- **Fund Balance Data.** Export and save the completed Fund Balance tab in the BRS module once it has been populated prior to submission. The Fund Balance tab in the final submission module is wiped each time new adjustments are added and refreshed for inclusion in the submission, and having a backup file from the export can save significant time and effort.
- **BRS Validations.** Prepare for the most common BRS module validation errors. Try submitting the BRS but omit the Workflow comment to ensure failed validation (so the submission does not go through before the agency is ready). This will bring up any validation rules the BARS data is failing, enabling coordinators to identify wider issues with the budget submission (i.e. validations).
  - Contractual FTEs are at least \$20,000 in salary per 1.00 FTE
  - Comptroller subobject 0192 equals \$0 across the entire agency
  - Target lock requirements must be met (these can be reviewed in the Targets Tab of the BRS)
  - Reduction target totals are met via Reduction adjustments within the submission (though note there are no reduction targets for FY 2024).
- **Other Data Checks Not Completed by BARS.** While BARS ensures submission data quality in many ways, there are certain rules of budget submission that BARS cannot validate. OBA will therefore complete checks outside of the system following submission, and agencies should be mindful of these data requirements since BARS will not check them:
  - Actuals. Please make sure that agency actuals Expenditure data matches FMIS (the DAFR 6000) at the program/fund type level. Also, please do not submit data with negative actual expenditures at the object level.

- Spending Mandates. Most of these have target locks established in the system, but please be mindful to ensure that all mandates are fully funded.
- Scheduled Subobjects. These subobjects have a schedule outlined in instructions or provided separately by the Treasurer's Office: 0698, 0704, capital leases (1021, 1041, 1121, or 1141), 1302, and 1303. Please budget in line with the provided schedules.
- Turnover. Review agency budget data to make sure that it is reasonable. For example, if positions were moved that the negative turnover (0189 or 0289) values moved with them.
- Vehicles (0701). Make sure that the budget matches the DA-8 form at the subprogram/fund type level.
- Reclassification (0112). Agencies should have a specific plan for included funding, as OBA analysts will ask for such a plan.

## B.2 Checklist of Submission Requirements

Because of the level of budget detail captured by the BARS budget system, State agencies are no longer required to submit hard copies of the budget submission. Please use this checklist for reference of what budget submission requirements are still required to be submitted electronically outside of the BARS system. **New this year:** The list also includes data checks that BARS does not validate but agencies should review themselves prior to submitting.

**Even if the OBA analyst is handling submission for the agency in BARS, agencies must send an email to [dlbudgethelp\\_dbm@maryland.gov](mailto:dlbudgethelp_dbm@maryland.gov) and the OBA budget analyst to confirm the agency's submission of the FY 2024 budget request, and attach the listed documents and forms in that message.**

Email Attachment Requirement		Applicable To
<input type="checkbox"/>	Organizational Chart	All agencies
<input type="checkbox"/>	<b>NEW:</b> MOUs or Emails documenting proof of (see Section I.1.1) planned Reimbursable Funds (RFs)	Agencies requesting RFs
<input type="checkbox"/>	DA-8: Motor Vehicle Operation & Maintenance. Please also ensure that the form matches BARS data (0701) at the subprogram/fund type level.	Agencies requesting replacement or new vehicles
<input type="checkbox"/>	DA-25A and DA-25B: Pay Plan Adjustment or New Classification Request: <u>Justification</u> , and <u>Details &amp; Summary</u>	Agencies requesting ASRs
<input type="checkbox"/>	DA-27: Indirect Cost Recovery and Reversion Reporting	All agencies
Data Checks		Applicable To
<input type="checkbox"/>	Actuals. Ensure that agency actuals Expenditure data matches FMIS (the DAFR 6000) at the program/fund type level.	All agencies
<input type="checkbox"/>	Actuals. Ensure that there are no negative expenditures at the object level.	All agencies
<input type="checkbox"/>	Mandates. Make sure that they are fully funded.	All agencies
<input type="checkbox"/>	Scheduled Subobjects. These subobjects have a schedule outlined in instructions or provided separately by the Treasurer's Office: 0698, 0704, capital leases (1021, 1041, 1121, or 1141), 1302, and 1303. Please budget in line with the provided schedules.	All agencies
<input type="checkbox"/>	Turnover. Review agency budget data to make sure that it is reasonable. For example, if positions were moved that the negative turnover (0189 or 0289) values moved with them.	All agencies
<input type="checkbox"/>	Reclassification (0112). Agencies should have a specific plan for included funding, as OBA analysts will ask for such a plan.	All agencies

**REMINDER:** the DA-1, DA-2, DA-3A, DA-20, DA-21A, DA-21B, DA-22, DA-23, DA-24, and DA-28 supporting detail forms are no longer necessary as this information is now captured in the BARS budget system.

**Managing for Results has a separate submission deadline of September 2, and should be emailed to [oba.mfr@maryland.gov](mailto:oba.mfr@maryland.gov) and the OBA analyst by that date.**

### B.3 Documentation Requirements

#### B.3.1 *Organizational Charts*

Section 26 of the FY 2024 budget bill requires that the Department of Budget and Management (DBM) submit to the Department of Legislative Services (DLS) a **one-page** organizational chart for each agency that depicts the allocation of personnel across operational and administrative activities. In order to accommodate this requirement, agencies are requested to submit a one-page organizational chart to DBM with the budget submission.

**Agencies must submit the organizational chart in either Microsoft Word or Adobe PDF format.** Agencies should submit the electronic file to their DBM budget analyst and [dlbudgethelp\\_dbm@maryland.gov](mailto:dlbudgethelp_dbm@maryland.gov) as part of the budget request submission process. The file must be sent at the same time as DA-forms and the confirmation that the agency has completed the Budget Request Submission module in BARS. DBM is responsible for forwarding these charts to DLS. Agencies should not submit the files directly to DLS.

#### B.3.2 *Local Aid*

Agencies that distribute local aid are required to include in the budget submission an estimated and preliminary distribution of local aid for FY 2022 actual expenditures, the FY 2023 appropriation, and the FY 2024 request.

The submission should include the supporting documentation that was used to arrive at the distributions in each fiscal year. Between the submission of the budget request and the end of December 2022, any additional information that would affect the distribution of local aid in the request year should be submitted to the assigned DBM budget analyst and to Nathan Bowen (OBA Local Aid Coordinator) at [Nathan.bowen@maryland.gov](mailto:Nathan.bowen@maryland.gov).

As the Governor's Allowance is finalized, DBM will ask the agency to submit revised distributions based on the allowance. The budgets that contain local aid include:

BUDGET	STATEWIDE PROGRAMS
D21A0102	Governor's Office of Crime Prevention, Youth, and Victim Services, Local Law Enforcement Grants
D21A0103	Governor's Office of Crime Prevention, Youth, and Victim Services, State Aid for Police Protection Fund
D26A0702	Senior Citizens Activities Centers Operating Fund
D38I0103	State Board of Elections (Voting System Funding)
D50H0106	Fire, Rescue, and Ambulance Fund
J00A0102	Operating Grants-In-Aid/Payments in Lieu of Taxes (PILOT)
J00B0105	County and Municipality Funds (Highway User Revenues)
J00H0106	Statewide Programs Operations
K00A0401	Revenue Equity Program
K00A0505	Land Acquisition and Planning (Instant Bingo Revenue to Calvert County)

K00A1001	Critical Area Commission
M00F0207	Targeted Local Health Services
M00F0304	School-Based Health Centers (K-12 Blueprint)
M00L0102	Behavioral Health Crisis Response
M00R0103	Coordinated Community Supports (K-12 Blueprint)
P00E0102	Maryland Racing Commission –Division of Racing
P00E0106	Video Lottery Terminal (VLT) – Local Impact Grants
P00G0114	Adult Education
Q00A0104	Emergency Number Systems (911) – State Grant
Q00G0001	Police and Correctional Training Commissions – General Administration (Law Training Center Grants)
R00A02--	Aid to Education (All programs with General Funds or Education Trust Funds)
R00A0602	School Safety Aid
R00A0702 & 03	School Construction Aid
R11A1102, 03, & 04	Aid to Libraries
R62I00--	Aid to Community Colleges – Formula, Special Grants, and Fringe Benefits
W00A0108	Vehicle Theft Prevention Council

### *B.3.3 Indirect Cost Recovery and Reporting Requirements*

**All agencies receiving Federal Funds must determine whether the funds are eligible for indirect cost recovery.** Once such eligibility is established, the agency must initiate, negotiate and establish an indirect cost recovery rate with the federal government. A copy of the latest approval letter from the relevant federal agency must be submitted to DBM.

Agencies are instructed to budget for internal indirect cost recoveries only after notifying the assigned DBM budget analyst of the intent to do so. No agency may budget the use of Statewide Indirect Cost Recoveries. **ALL STATEWIDE INDIRECT COST RECOVERIES MUST BE REVERTED TO THE GENERAL FUND.**

### **DA-27 Form Detail Requirements**

**All agencies** must complete a DA-27 form (even if there are no recoveries to report). Agencies should use the DA-27 form to specify the exact amounts and types of indirect cost recoveries and reversions made. Data should be provided at the program level and totaled to the unit level and the agency level. **Please report actual data for FY 2022, as well as estimates for FY 2023 and FY 2024.** The following information will be required:

1. List the **Statewide Indirect Cost Recoveries**. This is the amount of total recoveries allocated to Statewide Indirect Costs. The allocation percentage is determined by dividing the amount of Statewide Indirect Costs used in the Indirect Cost Allocation Plan by the total amount of indirect costs used in the calculation of the **Federally Approved Indirect Cost Recovery Rate**. The resulting percentage is the **Federally Approved Statewide Cost Recovery Rate**. Please note that both of these rates are required in the two farthest right columns of the DA-27 form.



2. List the **Internal Indirect Cost Recoveries**. This is the amount remaining from total indirect cost recoveries after Statewide Indirect Cost Recoveries have been subtracted.
3. Report the amount of Indirect Cost Recoveries **reverted to the General Fund**. This amount should not be less than the amount of Statewide Indirect Cost Recoveries, but may be more.
4. Report the amount of **Indirect Cost Recoveries Retained by the Agency**. This amount should be no greater than the amount of Internal Indirect Cost Recoveries, but may be less.

Copies of the **DA-27 form** and the most current **Negotiated Agreement Letter** must be included in the agency's budget submission, and electronic copies of the DA-27 form and the most current agreement letter must be sent to Michelle Pack, [michelle.pack2@maryland.gov](mailto:michelle.pack2@maryland.gov), and the OBA budget analyst. This information is reported in Appendix I of the Governor's Budget Highlights Book.

## **B.4 Fund File for Non-General Funds**

Many agencies have revenue from sources other than the General Fund in the budget request - special, federal, reimbursable, and non-budgeted funds. In BARS, the fund source detail is specified on the “Revenue Tab” in each adjustment, and thus may interchangeably be referred to as “Revenue Data.” All agencies must provide fund source detail in BARS that reconciles with the budget submission (Expenditure data) fund type splits at the program level.

**For the FY 2024 Budget Submission, all agencies are required to complete the “Fund Balance” Tab in the Budget Request Submission (BRS) module to submit income and balance data for all Special and Federal fund sources. The FY 2024 budget request cannot be submitted in BARS without this information.**

BARS requires that fund source detail be provided in every adjustment made, which means that agencies no longer need to submit separate fund source detail in an Excel template. While users will specify fund sources as they work, they will also have the opportunity to create revenue-only adjustments before submission to DBM to adjust the fund source breakdown after viewing the entire budget submission in aggregate.

### **Non-General Fund Submission Requirements**

1. Fund Source Detail by Program:  
Users must specify in each BARS adjustment. There is also an opportunity to realign if necessary before submitting the entire Budget Request Submission using one final adjustment that fixes fund source detail per year.
2. Fund Source Income and Balance Data for Special and Federal Funds:  
Provide the prior year fund balance and three years of income (PY actual and CY/BY estimates) for each individual special and federal fund source. This is done in the BRS module prior to submission of the entire budget.

BARS will verify that the expenditure amounts submitted in the fund file are exactly the same as the expenditure amounts reported in the budget files at the program level.

#### ***B.4.1 Updating Fund Source Detail by Program in BARS***

For FY 2024, BARS currently has fund source detail by program that rolled over with the FY 2023 budget data to create the starting point for FY 2024. To the extent DBM created non-General Fund target adjustments, specific fund sources were indicated by the OBA analyst creating the adjustment. This means that, like the budget detail, the fund detail already has a “baseline” and all actions made to change the budget will be adjustments against that baseline.

To help agencies manage fund sources used in the budget, the following tools will be provided:

- The “Fund Balance” tab in the Budget Request Submission module in BARS, which aggregates fund and revenue detail from all adjustments across all three submission years that have been bundled for the submission, and
- Reports and ad-hoc templates that aggregate all the fund detail and will also show if a fund is overspent once users provide opening balance and income information for the fund (see #2 below).

If, when seeing all the fund detail in aggregate, the agency wishes to adjust the level each fund source supports each program, a BARS adjustment can be created that makes NO changes to expenditures and only updates revenues.

#### B.4.2 Updating Fund Source Income and Balance Data (Special Funds and Federal Funds)

BARS requires agency submitters to enter opening balance data for FY 2022 as well as actual income for FY 2022 and estimated income for FY 2023 and FY 2024 for each individual special and federal fund source. With these four numbers, BARS can generate the balance, income, and expenditure summary information for each fund, which is a mandatory piece of the submission and a requirement from both DBM and DLS. Agencies must complete this part of the submission for all special funds as well as relevant multi-year federal fund block grants. For federal funds, agencies should report the balance as the remainder/carryover of spending authority on a multi-year grant, as federal funds do not technically have a “balance.”

This information is entered in the “Budget Request Submission” module where agencies can review the budget request in aggregate before submission to DBM. Please see the BRS guide for step-by-step instructions on how to use the Budget Request Submission module and populate your agency’s fund source income and balance data. Contact your OBA analyst if you have any additional questions about how to enter this data.

Agencies are responsible for...

Fund Revenue		A	B	C		D					
	Fund Source	FY 2019 Starting Balance	FY 2019 Revenue	FY 2019 Expenditures	FY 2020 Starting Balance	FY 2020 Revenue	FY 2020 Expenditures	FY 2021 Starting Balance	FY 2021 Revenue	FY 2021 Expenditures	FY 2021 Closing Balance
44	93 600 Head Start	\$0	\$135,969	\$135,969	\$0	\$126,912	\$126,912	\$0	\$126,931	\$126,931	\$0
45	93 936 Cooperative Agreements to Supp	\$0	\$83,955	\$83,955	\$0	\$83,971	\$83,971	\$83,958	\$83,913	\$83,926	\$83,948
46	96 001 Social Security-Disability Insuran	\$0	\$38,824,240	\$38,824,240	\$0	\$45,188,114	\$45,188,114	\$0	\$44,940,558	\$44,940,558	\$0
47	96 006 Supplemental Security Income	\$0	\$5,847,931	\$5,847,931	\$0	\$6,128,913	\$6,128,913	\$0	\$6,075,774	\$6,075,774	\$0
48	AA R00 Federal Indirect Costs	\$0	\$2,122,423	\$2,122,423	\$0	\$1,817,650	\$1,817,650	\$0	\$2,019,310	\$2,019,310	\$0
49	AB R00 National Association of Educatio	\$0	\$99,213	\$99,213	\$0	\$163,370	\$163,370	\$0	\$163,370	\$163,370	\$0
50	R00309 Special Indirect Costs	\$0	\$595,000	\$595,000	\$0	\$39,362	\$39,362	\$0	\$39,364	\$39,364	\$0
51	R00301 Third Party Recoveries-Vocatio	\$0	\$62,167	\$62,166	\$1	\$129,757	\$122,572	\$7,186	\$122,573	\$122,573	\$7,186
52	R00305 Fees	\$0	\$293,399	\$189,211	\$14,188	\$344,104	\$340,050	\$35,242	\$334,614	\$342,614	\$28,969
53	R00309 Blind Veterans Program	\$0	\$2,811,701	\$2,811,701	\$0	\$4,914,336	\$4,914,336	\$0	\$4,938,802	\$4,938,802	\$0
54	R00312 Maryland Public Secondary Sch	\$0	\$353,207	\$353,207	\$0	\$406,664	\$406,664	\$0	\$419,534	\$419,534	\$0
55	R00326 Blue Ribbon Schools	\$0	\$34,840	\$23,115	\$11,725	\$40,378	\$40,378	\$11,725	\$40,607	\$40,607	\$11,725
56	R00332 National Board for Professional	\$0	\$255,603	\$216,717	\$38,884	\$261,115	\$300,000	\$1	\$300,000	\$300,000	\$1
57	R00347 Public Education Partnership Fu	\$0	\$427,254	\$427,255	\$0	\$1,246,919	\$1,246,919	\$0	\$1,328,944	\$1,328,944	\$0
58	R00355 Teacher of the Year	\$0	\$284,954	\$284,954	\$0	\$291,500	\$291,500	\$0	\$294,683	\$294,683	\$0
59	R00356 Web Based Learning	\$0	\$68,754	\$73,684	\$15,930	\$220,877	\$220,877	\$15,930	\$147,547	\$147,547	\$15,970
60	R00364 Medical Assistance Administrat	\$0	\$1,267,070	\$1,135,830	\$71,240	\$1,135,830	\$1,135,830	\$1,135,830	\$1,135,830	\$1,135,830	\$100,362
61	R00365 Public Housing School - SEED	\$0	\$5,091,840	\$5,091,840	\$0	\$5,295,514	\$5,295,514	\$0	\$5,295,514	\$5,295,514	\$0
62	R00366 Licensing Fees	\$0	\$1,538,950	\$1,474,547	\$63,503	\$1,474,547	\$1,474,547	\$0	\$1,474,547	\$1,474,547	\$166,211
63	SVF305 Cigarette Restitution Fund	\$0	\$12,672,978	\$12,672,978	\$0	\$12,660,000	\$12,660,000	\$0	\$12,660,000	\$12,660,000	\$0
64	SVF318 Maryland Education Trust Fund	\$0	\$555,803,155	\$555,803,155	\$0	\$483,795,337	\$415,815,972	(\$12,020,635)	\$291,906,726	\$291,906,726	(\$12,020,635)
65	All Other - Includes Off-Budget and Unalloc	\$17,391,915	\$1,719,278,863	\$1,719,069,896	\$17,810,880	\$2,037,189,515	\$2,045,296,268	\$9,505,129	\$2,012,528,661	\$2,037,733,006	(\$15,699,216)

These columns are auto-populated by your selected adjustments

- Before final submission to DBM, agencies should review whether there are negative ending fund balances in any fiscal year – if there are, please contact your OBA analyst ahead of the submission to explain why.
- Special Fund beginning balances entered in BARS must match figures in FMIS.
- Agencies should keep in mind rules that govern various special funds when budgeting funds in FY 2024 and when reporting income and balances. Some special funds cannot carry a balance, and any remaining unspent revenue is reverted to the General Fund, while other special funds have

percentage limits of what amount of revenue can be kept as fund balance for use in the next fiscal year.

#### B.4.3 Special Funds

For special funds unique to a specific agency, use the first three characters of the R\*STARS Financial Agency Code followed by a unique 3-digit code that will be in the range of 301-450. **Agencies must submit a list of any new or revised fund source codes and titles to the OBA Budget Processing Team (BPT) with a copy to the OBA analyst.** Codes should be *clearly* and *separately* labeled as “NEW” and/or “REVISED.” BPT email: [dlbudgethelp\\_dbm@maryland.gov](mailto:dlbudgethelp_dbm@maryland.gov).

**Statewide special funds** are not unique to any agency and use the following codes. Agencies planning to include statewide funds in their FY 2024 Budget Request **must confirm funding availability** with their DBM budget analyst.

Code	Statewide Fund Name
swf302	Major Information Technology Development Project Fund (do not include any new, requested projects; only ongoing projects use this code)
swf305	Cigarette Restitution Fund
swf307	Dedicated Purpose Fund
swf309	Chesapeake Bay Restoration Fund
swf310	Rate Stabilization Fund
swf313	Higher Education Investment Fund
swf314	State Police Helicopter Replacement Fund
swf315	Chesapeake Bay 2010 Trust Fund
swf316	Strategic Energy Investment Fund – RGGI
swf317	Maryland Emergency Medical System Operations Fund
swf318	Maryland Education Trust Fund
swf319	Universal Service Trust Fund
swf320	Speed Monitoring Systems Fund
swf321	Video Lottery Terminal Proceeds
swf322	Housing Counseling and Foreclosure Mediation Fund
swf323	Fair Campaign Finance Fund
swf324	Mortgage Loan Servicing Practices Settlement Fund
swf326	Public Utility Customer Investment Fund
swf327	Contingent Fund
swf329	Strategic Energy Investment Fund - Animal Waste Compliance Payment
swf330	Strategic Energy Investment Fund - Other
swf331	The Blueprint for Maryland’s Future Fund
swf332	not in use
swf333	Dedicated Purpose Account - Covid 19
swf334	Rainy Day Fund – COVID-19
swf335	Marketplace Facilitator Revenue
swf336	Recovery Now Fund
swf337	Sports Betting Application Fees

*B.4.4 Federal Funds*

Agencies should use the six-character Catalog of Federal Domestic Assistance (CFDA) number, which is five digits plus a decimal point. **Please report any new CFDA numbers and Fund Names to the OBA Budget Processing Team (BPT) and the OBA budget analyst.** For Federal Funds that do not have a CFDA number, use a code in the format aa.rst where “rst” is the R\*STARS Financial Agency Code (e.g., Q00).

Examples:      97.072      National Explosives Detection Canine Team Program  
                  17.503      Occupational Safety and Health-State Program  
                  20.233      Border Enforcement Grants  
                  93.778      Medical Assistance Program

*B.4.5 COVID-19 Data - Federal Funds*

For federal funding associated with the COVID-19 Coronavirus Aid, Relief and Economic Security (CARES) Act, the Families First Coronavirus Response Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARPA), Agencies should use legislation-specific coding to indicate each of these initiatives as federal funds in agency budgets. Additional guidance is provided in Section B.5.

*B.4.6 Reimbursable Funds*

Agencies should typically use the six-character R\*STARS appropriation code for the agency and unit that is the source of funds. For reimbursable activity where funding is from many agencies, for example “print shops,” the fund code will be the first three characters of the agency R\*STARS Financial Agency Code, followed by a unique three-digit code in the range of 901-999.

Agencies must verify that any requested Reimbursable Fund amounts are in the budgets of agencies providing the funds. When submitting budget requests, include copies of the appropriate signed reciprocity agreements.

**For new reimbursable fund agreements, agencies must notify DBM of any reimbursable fund agreements where the source funds originate as general funds. In order for reimbursable fund amendments to occur for FY 2023, supporting budgetary language must be authorized via legislation and primarily via the Budget Bill. DLS will not approve reimbursable fund amendments with general funds as the source funds after the end of the Legislative Session.**

*B.4.7 Non-Budgeted Funds*

Each agency using non-budgeted funds must include a separate program statement providing a description of any current and proposed activity to be financed with non-budgeted funds. All funds received from special and federal sources must be reported in the agency’s operating budget request and reflected in programs summarizing the various sources.

*B.4.8 Additional Notes for All Agencies*

**NOTE: Institutions of Higher Education** must provide an income listing in two forms:

- Form 1: Summary of Current Unrestricted and Restricted Funds equal to amounts expended, appropriated, or requested, in accordance with the *Financial Accounting and Reporting Manual* of the National Association of College and University Business Officers (NACUBO).
  - Form 2: Revenue Analysis listing tuition, fees, and revenues generated by fiscal year. Total revenue reported usually exceeds a given year's expenditures with differences reported as fund balance.
- 
- **In the ongoing attempt to decrease the number of budget amendments**, agencies relying on special fund and federal fund revenue should **carefully evaluate revenue and expenditure expectations** before submission of the budget request. A careful evaluation of cash flow needs will enable each agency to provide reasonable estimates of special and federal fund revenue.

## B.5 Federal Relief Funds (COVID-19 Stimulus) Guidance

For the FY 2024 Budget Submission, all agencies that have received federal COVID-19 relief funds are required to submit the budget with legislation-specific coding in each fiscal year. The intent is to capture and record the difference in the budget detail where federal relief funds have been received and expended. These funds are aggregated as total Federal Funds in the “Fund Balance” Tab in the Budget Request Submission (BRS).

For the FY 2024 Budget Submission, agencies should not include additional federal relief funds as part of the agency base budget request for FY 2024. Instead, agencies should request an over-the-target for federal relief funds required in FY 2024 or a budget amendment for funds required in FY 2023. For additional guidance, please contact your OBA budget analyst.

This section provides additional guidance for all of the following federal relief bills:

- Coronavirus Aid, Relief, and Economic Security (CARES) Act
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Plan Act (ARPA)

**For any new federal relief funds, including federal relief funds utilizing existing fund sources, contact [DLBudgetHelp\\_DBM@maryland.gov](mailto:DLBudgetHelp_DBM@maryland.gov) (cc your budget analyst) to set up a new federal fund CFDA code related to any federal relief funds in BARS.**

1. In the “Subject” line, input: New FF CFDA – CARES - ##.###.
2. In the Body of the email, provide the name of the CFDA and confirm which relief act the funds are sourced from.
3. If the CFDA code existed pre-COVID-19 relief under Fund 05 (FF) and is now also using federal relief funds, this new CFDA code will now receive a MD-specific alphabetical coding to indicate that it is a federal relief funding stream.  
Some existing CFDA codes have an established alphabetical coding. Please use the following coding structure for entry into BARS.

- |              |   |
|--------------|---|
| ➤ CARES Act: | CFDA ##.### <u>C</u> ; Fund 05 <u>25</u> in FMIS; Fund <u>25</u> ( <u>FC</u> ) in BARS. |
| ➤ CRRSAA:    | CFDA ##.### <u>D</u> ; Fund 05 <u>35</u> in FMIS; Fund <u>35</u> ( <u>FD</u> ) in BARS. |
| ➤ ARPA:      | CFDA ##.### <u>E</u> ; Fund 05 <u>45</u> in FMIS; Fund <u>45</u> ( <u>FE</u> ) in BARS. |

4. Once a confirmation email has been received from the Budget Processing Team (BPT) [DLBudgetHelp\\_DBM@maryland.gov](mailto:DLBudgetHelp_DBM@maryland.gov), the agency is free to use this source and coding in BARS for federal relief related expenditures. Please see Section A.4 for guidance regarding personnel expenditures using federal relief funds.

This guidance applies only to those agencies eligible for direct federal CARES, CRRSA, and/or ARPA funding **and** any agency being reimbursed by MDH for COVID-19 Relief Fund expenditures. Federal guidance for ARP State and Local Fiscal Recovery Funds can be found at the following URL: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>.

Additional resources for individual program grants at various federal agencies can be found on the National Association of State Budget Officers website at the following URL:

<https://www.nasbo.org/resources/covid-19-relief-funds-guidance-and-resources#ARP>. As always, please reach out to your OBA analyst if you are unsure which guidance applies to your agency.



## **B.6 BARS Guidance, Agency Adjustment Types, and Submission Resources**

### **General Guidance for Working in BARS**

While DBM is providing some basic guidance and ideas for how to approach the budget request, we recognize that each agency will complete the request in BARS differently. The following content provides an approach to using the BARS system among several possible approaches. DBM encourages agencies to share best practices internally and with DBM and agency colleagues as Maryland continues to refine and improve its guidance for budget submission through BARS.

### **BARS Agency Help Guide**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Agency-Help-Guide.pdf>

DBM requests that agencies follow a tiered system of user assistance depending on the type of issue they face in BARS, with their OBA analyst providing direct support in almost all instances.

### **Stages, Statuses, and the Adjustment Paradigm**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Stages-Statuses-Adjustment-Paradigm.pdf>

Video: <https://youtu.be/MA8-hqAZmvs>

BARS operates on an adjustment basis, utilizing individual workflows called “adjustments” to enter data into the system. This guide includes information for processing adjustments and knowing when detail in the system is “final.”

### **Explaining Adjustment Types**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Explaining-Adjustment-Types.pdf>

Video: <https://youtu.be/axc61g1rK5w>

BARS includes a variety of adjustment types that dictate the method and point and time that certain types of data are entered into the budget. A short reference guide is appended at the end of this section.

### **Creating an Adjustment**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Creating-Adjustment.pdf>

Video: <https://youtu.be/6hgXNqioctw>

Each adjustment has individual pieces of data that indicates which agency, which fiscal year, and which part of the budget (Positions, Contractual Positions, Contracts and Grants, Real Estate, General Expenditures, and Fund Sources) is being impacted by the adjustment. There are always minimum data requirements in order to submit an adjustment successfully.

### **Adjustment Validations**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Adjustment-Validations.pdf>

Video: <https://youtu.be/iUe6sAYySiw>

Each adjustment also has individual pieces of data that comprise those minimum data requirements, called “validations.” Depending on what the user would like to do, different validations may trigger to ensure sufficiency of included information. Many of these are self-explanatory, while a select few require a deeper knowledge of the interactions between pieces of an adjustment.

**Using the Import/Export Function**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Using-Import-Export-Function.pdf>

Video: <https://youtu.be/Y0Vo91DJV2w>

Users are able to export data from BARS into Microsoft Excel and import data back into the system, which can expedite data entry and/or analysis. Excel is among the fastest ways to manage the detail in BARS, which is arranged into grids that must be adjusted manually to implement any changes. There are many rules to using the import/export function, and the method differs in certain tabs.

**Position Reconciliation for FY 2024**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Position-Reconciliation-Guide.pdf>

Video: [https://youtu.be/m0g\\_5vaXjx8](https://youtu.be/m0g_5vaXjx8)

Position Reconciliation is the process by which agency users update all of their budgeted positions in BARS to match current locations, class codes, etc., largely by copying data brought in from Workday. It is a point-in-time process that ensures that the FY 2024 budget is based off of the most recent personnel data.

**Contractual Positions**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Contractual-SD.pdf>

Video: <https://youtu.be/9Dm053BZgkA>

Agencies use the Contractuals Supporting Detail (SD) tab to adjust FTE and salary information for budgeted contractual positions across the three years of the budget request. Note that contractual positions must always maintain a minimum of a \$20,000 to 1.00 FTE ratio. If the budgeted salary is less than that threshold, then a partial FTE must be used.

**Contracts/Grants**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-ContractsGrants-SD-tab.pdf>

Video: TBD

Agencies are required to enter all object 08 contracts and object 12 grants into the BARS budget system in a separate SD tab. Each budgeted contract must be labeled with a name that indicates the contract's purpose and links to a separate database (see below) with other information including vendor, a contract description, total cost, etc.

**Contracts/Grants Maintenance**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Maintain-Contracts-Grants-Module.pdf>

Video: <https://youtu.be/MA8-hqAZmvs>

Agencies must provide detail for all contracts and grants over \$50,000, including description data and the term of the contract and/or grant. The Maintain Contracts and Grants module holds this data and allows agencies to maintain its own library of contracts and grants for use in the Contracts/Grants SD tab.

**Real Estate**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Real-Estate-SD-Tab.pdf>

Video: TBD

Agencies must enter all comptroller subobject 1301 non-DGS leases into the Real Estate SD tab. Each budgeted lease must be labeled with a name that indicates the location of the building and links to a separate database (see below) with other information including address, square footage, etc.

### **Real Estate Maintenance**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Maintain-Real-Estate-Leases-Module.pdf>

Video: <https://youtu.be/S0gmLk5oqrc>

Similar to the contracts/grants process, agencies should have developed a list of real estate leases that have a specific duration, total cost, description, name, and cost of the lease. The Maintain Real Estate Leases module holds this data and allows agencies to maintain its own library of non-DGS leases for use in the Real Estate SD tab.

### **Turnover Tab**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Turnover-Tab.pdf>

Video: <https://youtu.be/0rDN3BF3rWw>

This tab enables an agency to calculate the cost of changing budgeted turnover rates at the subprogram, program, unit, or agency-wide level. Agencies can then populate these calculated cost impacts into an adjustments' Expenditure (budget) information. Note that the turnover on this tab is only for permanent positions (0189) not for contractual positions (0289).

### **Revenue Tab and Realigning Revenues**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Revenue-Tab-Realigning-Funds-Revenues.pdf>

Video: [https://youtu.be/C\\_kRFyGvMps](https://youtu.be/C_kRFyGvMps)

In BARS, all Expenditures must match Revenues by fund type at the program level, enabling DBM to compile the fund information published in the budget books. This fund source data is entered on the Revenue tab of every adjustment that impacts non-general funds.

### **BARS Ad-Hoc Guide and Data Dictionary**

Excel and Pivot Tables Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Using-Excel-and-Pivot-Tables.pdf>

Video: <https://youtu.be/w1nIRraJCSQ>

BARS ad-hoc reports are Excel pivot tables that link directly to information in BARS. Virtually all information in BARS can be pulled into an ad hoc, enabling users to quickly review information across agencies and years. Due to the numerous fields, agency users that are unaccustomed to pivot tables or BARS are encouraged to use the BARS Data Dictionary as a guide for this incredibly powerful tool.

### **Submitting the Budget Request**

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Submitting-the-Budget-Request.pdf>

Video: [https://youtu.be/IKMmu34D\\_Alg](https://youtu.be/IKMmu34D_Alg)

Once all of the adjustment detail has been entered into BARS pertaining to the budget request, an agency then “bundles” these adjustments and aggregates them through the Budget Request Submission (BRS) module that is used to submit the request and actuals to DBM. This compiled submission runs additional validation checks prior to submission to confirm that the budget submission as a whole is valid and sufficient, including checks to determine if the general fund target or other target “locks” have been

exceeded. This budget submission method represents the final step in the agency budget submission before it is received by DBM analysts.

### Creating an Amendment – Budget Amendments

Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Creating-Budget-Amendment.pdf>

Video: <https://youtu.be/aBHwmSAgf3A>

DBM now requires that agencies submit budget amendments utilizing BARS—with the exception of amendments for higher education institutions and year-end closing amendments. DBM continues to work to maintain the Working Appropriation and keep it as updated as possible to limit massive changes when agencies are required to finalize their Actuals for the Budget Request Submission. For those agencies who do not have access to BARS and need to process an amendment, DBM requires that the agency work with their OBA analyst to submit the amendment through BARS on their behalf.

### Various Reports

Subobject Analysis Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Using-Reports-Subobject-Analysis-Report.pdf>

3-Year Agency Report Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Using-Reports-3Year-Report.pdf>

Position Detail Report Guide: <https://dbm.maryland.gov/budget/Documents/operbudget/2024-instructions/BARS-Using-Reports-Position-Detail-Report.pdf>

In addition to ad-hoc reporting in Excel, BARS provides a variety of easy-to-use reports that are pre-formatted to appear similar to reports from past budget cycles. These reports can provide a shortcut to much of the information located within the grids, and can even show information before it has been “Released” and finalized in the grids. DBM recommends a combination of pre-formatted reports and ad-hoc reports to provide a full sense of the budget prior to the budget submission.

### Reference: Agency Adjustment Types in BARS

Adjustment Type	Description	PY	CY	BY	Stage	OBA Approval?
Agency Actuals Adjustment						
CY Adjustment						
Deficiencies						

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Adjustment Type	Description	PY	CY	BY	Stage	OBA Approval?
Agency Adjustments	These are changes which agencies submit as an adjustment which do materially change programs, but on net fall within an agency's target (e.g. a reorganization between programs).	N	N	Y	Agency Request	N
Over the Target Requests	Agency "Over the Target" additional funding requests.	N	N	Y	Agency Add'l Request	Y
Reduction Options	Reduction options submitted by an Agency to meet its reduction target.	N	N	Y	Agency Add'l Request	Y
Position Reconciliation	Allows an agency to perform a position reconciliation which does not allow net changes to FTE counts. These are the only adjustments that may be submitted outside of the Budget Request Submission module.	N	N	Y	Agency Request	N