



OFFICE OF PLANNING AND BUDGET

Brian P. Kemp
Governor

Kelly Farr
Director

April 2, 2020

MEMORANDUM

TO: Agency Heads and Fiscal Officers
FROM: Kelly Farr *kf*
RE: Fiscal Year 2020 Fourth Quarter Spending

Our state and national efforts to contain the spread of coronavirus are expected to result in temporary disruptions to our economic markets during these last few months of the fiscal year. OPB will be monitoring revenues closely, but it is essential that all state agencies work together to close the year in good fiscal order. We will be working with agencies to identify opportunities to maximize agency surplus in order to ensure we maintain a healthy Revenue Shortfall Reserve fund level through this temporary disruption.

Year End Expenditures

Agencies should prioritize fourth-quarter expenditures to optimize funds available for surplus at fiscal year-end. In some cases, OPB has identified planned year end spend that agencies should withhold and plan to lapse. OPB will communicate those items to you. Any planned one-time year end expenditures for equipment or technology purchases, vehicles, contractual services, capital outlay or other initiatives should be deferred until FY 2021. Agencies with one-time emergency needs should contact their OPB analyst to discuss the spending need.

Purchase Order Review

OPB and the State Accounting Office again will work with agencies to identify purchase orders (PO) established prior to FY 2020 with little to no recent activity in order to determine any need to keep certain purchase orders open, or where appropriate, to close remaining purchase orders and remit the funds to Treasury. Agencies should aggressively work to close out aging purchase orders with small amounts remaining or with older unspent funds. Such closures would not prohibit an agency from opening a new PO with the same vendor in FY 2021.

Fiscal Affairs

OPB is working with the Governor's Office to schedule a meeting of the Fiscal Affairs Subcommittee for June. Please review the status of your budgets to determine any need for state funds transfers affecting Fiscal Year 2020 and Fiscal Year 2021. Requests for transfers should be limited to issues unforeseen during consideration of the Amended Budget and that are necessary in maintaining budgetary compliance at fiscal year-end. Please work closely with your analyst and division director to identify any potential concerns early so that we may be proactive

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in evaluating the need for Fiscal Affairs. Transfers for FY 2021 should be limited to emergency needs only. State funds transfers that are not absolutely necessary may be submitted as an Amended Fiscal Year 2021 budget request.

For your convenience, please use the enclosed forms to make your requests. Agencies requiring a transfer to be considered by the Subcommittee must submit their request to their OPB analyst by Friday, May 15.

Spending Order Policy and Surplus Funds

Under joint OPB-SAO policy 4-9-1, agencies must spend retained other-fund revenues in the year in which they are earned. Retained revenues not spent prior to year-end will lapse unless an agency submits a letter to OPB requesting to reserve those funds. Agencies must request to reserve any and all state and other funds that it expects to retain for use in future years, including those requested in prior fiscal years with remaining balances.

Funds appropriated in the amended appropriations act for specific initiatives should be either fully expensed or encumbered prior to year-end. *Agencies should not plan on reserving state funds they were unable to spend or encumber during the fiscal year.*

Any surplus state or other funds not previously reported in the FY 2019 Budgetary Compliance Report should be remitted to Treasury no later than June 30 using account code 390109, Adjustments to Fund Balance – Early Surplus Returned to OST. If funds are available in your allotment balance account at Treasury, agencies should use the ARIS system and click the “Return of Surplus” button to remit payment. If funds are not available in your allotment account, please contact Lisa Hoover or Donna Bowman at the Office of the State Treasurer, accounting@treasury.ga.gov, to make arrangements to send the funds.

Federal Coronavirus Relief Funds

Congress has passed three separate measures to provide economic relief and financial assistance to governments, businesses, and individuals in responding to the spread of COVID-19. OPB is working closely with our representative organizations and federal partners to determine the allowable uses of the funds, process for disbursement, and federal auditing and reporting requirements. OPB will be reaching out to each of your agencies who may receive one of these funding streams to discuss spending plans and reporting. Please be sure to remain in close communication with your division directors as you receive further guidance from your federal partners on these additional sources of funding.

Thank you for your continued leadership and commitment to strong fiscal stewardship as we manage through this current state of emergency.

KF/sb

Cc: Lynne Riley, State Treasurer
Alan Skelton, State Accounting Officer