

20.2 Budget Execution and Management

This document is a draft and subject to change

Revision History

Version	Date	Revision Notes
1.0	10/19/2020	Accepted Version
1.1	01/24/2022	Updates per Financials Wave Module Workgroup Sessions

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General Information

This document describes and depicts the process steps and supporting information for the identified State of Florida financial management business process. This information should be read in conjunction with the Business Process Flow Diagrams.

The Dependencies and Constraints section describes any conditions or criteria that impact how or when the business process should be executed. These could be set within Florida PALM or from external sources (i.e., Law or Rule).

The Business Process Overview section summarizes the business process and provides context for understanding the objectives and desired outcomes of the described business process.

Within the Business Process Flow Details section, included for each process step are:

- **Process Step ID** – A unique number assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Process Step Title** – A short description assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Description of Process** – A detailed narrative description of the process step, which provides additional information and context for understanding the process step

Florida PALM screenshots are included within the sections following the Business Process Flow Diagrams to allow connections to be made from specific business subprocess steps to screens within Florida PALM.

Also described below are the Ledger Impacts, Interfaces and Key Reports, which are displayed as icons on the Business Process Flow Diagrams. Ledger Impacts describe where there is an update to one of the ledgers used to track activity for accounting, budget management, or financial reporting purposes. Key Reports describe where a report is identified to be produced at a particular process step or is used to support the completion of a process step. Interface IDs are provided for each interface identified on the Business Process Flow Diagrams.

Tables are included to identify the Conversions, Forms, Workflows, and Stakeholder Configurations related to this Business Process. These items may not be included within the Business Flow Diagrams; however, these items are important elements of each Business Process as a whole.

Finally, included in the Terminology section are definitions of terms to help the reader to better understand the document. These are terms that are used within this document that may be new or that require a description for common understanding.

Dependencies and Constraints

- Agency appropriation balances should not exceed appropriations that are authorized in the GAA and subsequently adjusted to reflect vetoes, supplementals, failed contingents, and current FY budget amendments. Authorized/Adjusted appropriations are required to be released prior to recording an expenditure. All appropriations adjustments are first developed and published in LAS/PBS before being transferred to Florida PALM.

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- The Department of Financial Services (DFS) and the Executive Office of the Governor/Office of Policy and Budget (EOG/OPB) publish memorandums that provide direction and guidance for the management of appropriations.
- Budgetary Funds are used on budgetary transactions only to store appropriations, releases, and reserves budgets. Transactional Funds are used to record financial accounting entries or budget entries for allotments and revenue estimates.
- Agencies have the option to create allotments as a management tool, by any chart of accounts value. However, for those agencies who elect not to create allotments, the GAA/Adjusted Appropriations are loaded to each business unit's budget entity levels systematically.

Business Process Overview

The Budget Execution and Management business process is within the Budget Management (BM) business process grouping. BM includes a collection of business processes that:

- Manage the tracking and reporting of appropriations, allotments, and revenue estimates, including the exchange of information between LAS/PBS and Florida PALM;
- Manage budget exceptions; and
- Support the close-out of appropriations.

The Commitment Control module includes the Budget Execution and Management business process which addresses how the Budget Check process within Florida PALM validates source transactions to available appropriations, allotments and revenue estimates and ChartField values. The configuration of Florida PALM determines if a transaction is subject to appropriations Budget Check. Account types such as assets, equity, and liability are appropriations budget checked, however they are configured to pass budget check systematically, do not impact the Commitment Control ledgers, and proceed with the transaction lifecycle. Account type of revenue is appropriations budget checked and is configured to pass budget check systematically, update the appropriate Commitment Control ledgers and proceed with the transaction lifecycle. All other transactions, such as expense are Budget Checked. If there are appropriations available, the transaction will pass Budget Check and proceeds forward in its lifecycle which includes reducing the available appropriation amount. If there are not sufficient appropriations available, the transaction will fail Budget Check which results in budget exceptions. Transactions that fail to pass budget check do not impact available appropriation amounts.

Commitment Control security will designate users within DFS and agencies to manage budget exceptions resulting from the Budget Check process. Manage budget exceptions is an activity that is undertaken to resolve issues that may arise when transactions are posted to the Commitment Control Ledger. Budget Check exceptions fall into two categories: errors and warnings. Budget Check errors are budget exceptions that have failed budget check because they do not conform to the rules established. Once Budget Check errors occur, the options available to resolve errors are corrections (includes amount and/or ChartFields), adjustments (includes amount and/or ChartFields), cancel, or request an override. Budget Check warnings are budget exceptions that are systematically overridden as defined by rules established but provide a warning. Budget Check warnings provide agencies the opportunity to make an allotment adjustment/transfer as a method to manage budgets. The allotment adjustment/transfer would occur after-the-fact as the transaction has passed budget check with the warning. Addressing warnings timely could prevent future issues if not addressed appropriately. The agency user will determine if a modification to a source transaction is needed to rectify the error,

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or if the error lies with appropriations including releases, encumbrances, and/or allotments and take the appropriate steps to resolve the budget exception. Budget Check exceptions continue to be systematically checked by Commitment Control until the budget exceptions have been resolved. Once resolved the transaction lifecycle continues, which includes reducing the available appropriation amount. Appropriations will be restored systematically based on the impact of a source transaction, i.e. when an encumbrance is cancelled, appropriations is restored.

Commitment Control provides online pages for designated users, as well as reports to resolve budget exceptions. Designated users can view budget exceptions online using the Exception Inquiry pages, Process Monitor, as well as the configured Commitment Control Notification feature which includes notifications by email and workflow worklist page, which list all warnings and exceptions. In addition to key reports, Commitment Control includes the Budget Overview, Budget Detail, Log Activity, and other online inquiry screens which display and enable drill down capability to view summarized and detailed information regarding individual budget journal lines and source transactions, and budget exceptions, with user-defined dimensions.

There may be instances where a budget amendment is needed to resolve a budget exception, in which case the agency follows standard budgetary procedures to secure the budget amendment. If payment or actions are needed prior to official approval of the budget amendment, Florida PALM provides an agency and DFS an override request form and workflow for appropriate transactions. The DFS KK Budget Maintainer has the appropriate security to override a budget exception based upon agency’s override request and supporting documentation. DFS reviews override request in collaboration with EOG/OPB and decides to approve or deny the override request. Typically, these type of budget exceptions that warrant an override request are generally needed to process time sensitive transactions. Florida PALM will be configured for rare instances whereas DFS can assign a Commitment Control attribute to designate ChartField values, to permit systematic override of transactions, as deemed appropriate.

Business Process Flow Details

The table below describes steps in the business subprocess as reflected on the Process Flow diagrams. The table also reflects information associated with each step describing the intent of the specific process.

The Business Process Flow Diagrams use horizontal swim lanes to depict where activities are performed by different parties or systems. Each swim lane is titled with a role, either agency-based or enterprise-based, and in some cases, are representative of an external party or system. The swim lanes may change from page to page within a single business subprocess as more or fewer roles are required to execute sections of the business subprocess. Optionally, the process flow diagram may reflect vertical swim lanes to further designate information such as systems or time intervals.

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Table 1: Budget Execution and Management

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Module	Commitment Control
Related Module(s)	General Ledger, Accounts Payable, Purchasing

Swim Lanes – Definition	<p>Agency KK Budget Reporter: Agency role responsible for reviewing and managing budget check exceptions</p> <p>Agency KK Budget Maintainer: Agency role responsible for assisting with managing budget errors and providing general oversight of budget check process</p> <p>DFS KK Budget Maintainer: DFS role responsible for performing Budget Check tasks</p>
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Process Step ID	Process Step Title	Description of Process
1	Run Budget Check	<p>Budget Check is initiated by source module processors or an automated scheduled process. Budget Check validates source transactions to available appropriations and ChartField values, which consumes budget and creates an expenditure entry. If no errors result from the Budget Check, the transaction passes and the source transaction continues to post. If errors exist, the Agency KK Budget Reporter manages the Budget Check errors.</p> <p>The configuration of Florida PALM determines if a transaction is subject to Budget Check based on the following Account types:</p> <ul style="list-style-type: none"> Account types such as assets, equity, and liability are appropriations budget checked, however they are configured to pass budget check systematically, do not impact the budget ledger, and proceed with the transaction lifecycle. Account type of revenue is appropriations budget checked and is configured to pass budget check systematically, update the appropriate budget ledger and proceed with the transaction lifecycle. Expense Account type transactions, such as encumbrances, are non-excluded and are subject to Budget Check. Expense transactions may generate Budget Check errors which require exception handling. <p>Budget Check validates source module's transactions from the below business subprocesses:</p> <ul style="list-style-type: none"> 10.2.1 Create and Approve Journals 30.2.1 Establish and Maintain Encumbrances 30.3.1 Process Vouchers 30.5.1 Record Manual Payments
2	Review Budget Exception Warnings	<p>Budget Check warnings are exceptions that do not conform to the rules established but pass and update the Commitment Control ledgers. Budget Check warnings do not require action for the transaction to pass budget check, as they are systematically overridden. Budget Check warnings involving allotments are managed directly in the Commitment Control module by the Agency KK Budget Maintainer.</p>

Process Step ID	Process Step Title	Description of Process
		The Agency KK Budget Reporter can view budget exceptions online using the Exception Inquiry pages, Process Monitor as well as, the configured Commitment Control Notification feature which includes notifications by email and workflow worklist.
3	Update Budget Ledger Balances	Source transactions that successfully pass Budget Check, are processed and will consume budget, update budget ledger balances, and proceed with the transaction lifecycle. The Posted Budget Journals Report, Agency Obligations Report, Schedule of Allotment Balances Report, and Budget vs. Actuals Report are available for review and management purposes.
4	Manage Budget Exception Errors	<p>Budget Check errors are exceptions that have failed budget checking because they do not conform to the rules established. Transactions with errors stop at the budget check stage and do not proceed until they are corrected, adjusted, cancelled, or overridden. Transactions with errors do not consume budget and are not allowed to update the Commitment Control budget ledgers. Budget Check exceptions are systematically checked by Commitment Control until the budget exceptions have been resolved. Once resolved, budget is consumed. All transactions that fail Budget Check produce errors and are included in the Budget and Cash Checking Exceptions Report.</p> <p>The Agency KK Budget Reporter can also view budget exceptions online using the Exception Inquiry pages, Process Monitor, as well as the configured Commitment Control Notification feature which includes notifications by email and workflow worklist.</p>
5	Perform Edits in Source Modules	The Agency KK Budget Reporter works in conjunction with source module roles within the Florida PALM and performs due diligence to review and resolve budget exceptions. The options available to resolve budget exceptions are correct (amount and/or ChartFields), adjust funding source (amount and/or ChartFields), cancel, or request override of the budget checking process. Budget Check exceptions continue to be systematically checked by Commitment Control until they are resolved.
6	Initiate and Route Override Request Form	The Agency KK Budget Maintainer and Agency KK Budget Reporter collaborates regarding the override request option. Once a decision is made to move forward with the override request option, the Agency KK Budget Maintainer submits Override Request Form, along with supporting documentation which is attached to the form and routed to the DFS KK Budget Maintainer.

Process Step ID	Process Step Title	Description of Process
7	Review Override Request Form	<p>The DFS KK Budget Maintainer reviews the Override Request Form, by way of the Override Request Workflow, which includes supporting documentation. The DFS KK Budget Maintainer works collaboratively with EOG/OPB and the Agency KK Budget Maintainer where appropriate to reach decision regarding request.</p>
8	Consider Override Request Form	<p>The DFS KK Budget Maintainer determines if an override is appropriate and if approved, the DFS KK Budget Maintainer overrides the transaction and either initiates budget check to occur immediately or on the next system scheduled budget check process. Once the transaction is budget checked, it will pass as an overridden transaction and update the budget ledger balances to consume budget and proceed with the transaction lifecycle.</p> <p>With approval of override request, the transaction meets the Budget Checking rules established, the transaction continues processing as described in the below business subprocesses:</p> <ul style="list-style-type: none"> • 10.2.1 Create and Approve Journals • 30.2.1 Establish and Maintain Encumbrances • 30.3.1 Process Vouchers • 30.5.1 Record Manual Payments
9	Notify Agency	<p>Once the transaction has been overridden or denied, the DFS KK Budget Maintainer notifies the agency.</p> <p>For denials, the DFS KK Budget Maintainer advises the agency to resubmit transaction for Budget Check again using the remaining options available. Budget Check exceptions are systematically checked by Commitment Control until the budget exceptions have been resolved.</p>

Commitment Control Budget Exceptions

Budget Type CC_APPROP CC Appropriation
Business Unit 43000 Dept Of Financial Services

Budget Period 2020

ChartField	ChartField Value	Description
Account	400000	SERVICE CONCESSION ARRANGEMENT
Fund	00081	DFS GR
Budget Entity	43010100	EXEC DIRECTION & SUPP SVC
Category	000101	DRIVERS EDUCATION FEES

*Exception Type Maximum Rows
 More Transactions Exist

Advanced Transaction Criteria Budget Detail [Search](#)

[Save](#) [Return to Search](#) [Previous in List](#) [Next in List](#) [Notify](#)

Figure 1: Commitment Control Budget Exceptions Page

The screenshot displays the 'Line Exceptions' tab within the 'GL Journal Exceptions' section. At the top, it shows the Business Unit as 43000, Journal ID as 0000001411, and Journal Date as 10/31/2018. Below this, there are search filters for Line Status (set to 'Error'), Maximum Rows (100), Line From, and Line Thru. There are also checkboxes for 'Override Transaction' and 'More Lines Exist'. A 'Search' button is located below the filters.

The main data area is titled 'Transaction Lines with Budget Exceptions' and includes a table with the following columns: Details, Line, Ledger, Budget Date, and GL Business Unit. The table contains two rows of data:

Details	Line	Ledger	Budget Date	GL Business Unit
		1 ACTUALS	10/31/2018	43000
		2 ACTUALS	10/31/2018	43000

Below the table, there are navigation buttons: Save, Return to Search, Previous in List, Next in List, and Notify. At the bottom left, there is a breadcrumb trail: 'GL Journal Exceptions | Line Exceptions'.

Figure 2: Commitment Control GL Journal Exceptions Status Page, Lines Exceptions Tab

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Ledger Impacts

Table 2: Ledger Impacts Included on Business Process Model Flow

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
LI1	Budget Ledger – Commit Expenditures	Decreases Available Budget Balance Increases Expenditure Balance
LI2	Budget Ledger – Encumbrance Detail	Decreases Available Budget Balance Increases Encumbrance Balance
LI3	Budget Ledger – Encumbrance Detail	Decreases Encumbrance Balance Increases Expenditure Balance

Key Reports

Table 3: Reports Included on Business Process Model Flow

Report Number	Report Description	Report Frequency	Audience
R1	KKR058 - Budget and Cash Checking Exceptions Report – Report that lists budget and cash check exceptions along with balances.	Periodic	DFS, Agency
R2	KKR019 - Posted Budget Journals Report – provides detail transactions regarding any budget journals posted (appropriations, allotments, Carry Forward, Certified Forward, estimated revenue, etc.) and available by designated journal type, time periods and ChartField combinations, and budget period (appropriation year).	Periodic	DFS, Agency
R3	KKR018 - Agency Obligations Report –provides encumbrances and payables by ChartField combinations.	Periodic	DFS, Agency
R4	KKR022 - Schedule of Allotment Balances Report – provides an accrual basis budget report within an expenditure category and account (object) code for recorded allotments, encumbrances, expenditures, and remaining balances. The report is grouped by Fund and/or Budget Entity and available at designated time periods by ChartField combinations.	Periodic	DFS, Agency
R5	KKR001 - Budget to Actuals to Forecast Report – Oracle Business Intelligence report displaying budgeted amounts to actuals and projections expenditures and revenues by Chart of	Periodic	DFS, Agency

Report Number	Report Description	Report Frequency	Audience
	Account code combinations and associated costs.		
R6	KKR010 - Spend Plan Projections Report – Oracle Business Intelligence report displaying balances of appropriations, encumbrances, expenditures, scheduled payments, and available balances with a variable user-defined projection rates.	Periodic	DFS, Agency

Note: A complete list of reports may be found in the [Reports Catalog](#)¹.

Conversions

Table 4: Data Converted from External System to Florida PALM

Conversion Number	Conversion Description	Conversion Frequency	Source
N/A			

Note: A complete list of conversions may be found in the [Catalog of Conversion Offerings](#)². This is a protected publication that requires login. If your business or technical teams do not currently have access to the Smartsheet Florida PALM Dashboard, contact your Readiness Coordinator to request their access.

Interfaces

Table 5: Interfaces Included on Business Process Flow Diagrams

Interface Number	Interface Description	Interface Frequency	Source	Target
KKI008	*Inbound Budget Pre-checking Web Service – Inbound web service to budget pre-check encumbrances and accounts payable transactions by external systems	Periodic	Agency Business Systems, MFMP	Florida PALM

Note: A complete list of interfaces may be found in the [Catalog of Interface Offerings](#)³. This is a protected publication that requires login. If your business or technical teams do not currently have access to the Smartsheet Florida PALM Dashboard, contact your Readiness Coordinator to request their access. *Web Service Interfaces are not indicated on the Business Process Model.

¹ <https://app.smartsheet.com/b/publish?EQBCT=a8d51896f0144ef6a87314b3c7824ba5>

² <https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQGjh4wvP676gf2h4mf57hP1>

³ <https://app.smartsheet.com/dashboards/xW9gQgMRP6w5pfRGMQGjh4wvP676gf2h4mf57hP1>

Forms

Table 6: Forms Included on Business Process Flow Diagrams

Form Number	Form Description	End User Role
KKF001	Override Request Form – Request form used by agencies to request a budget or cash checking override from DFS.	Agency KK Budget Maintainer

Workflows

Table 7: Workflows Included on Business Process Flow Diagrams

Workflow Number	Workflow Description	End User Role
KKW002	Override Request Workflow – Workflow that routes the Override Request Form to DFS A&A for approval.	Agency KK Budget Maintainer

Agency Configurations

Table 8: Configurations Defined and/or Maintained by Agencies

Configuration Number	Configuration Description	Frequency
N/A		

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Terminology

Account – types of classified transactions which are designated to be excluded from the Budget Check process.

Allotments – planned expenditures of State appropriations recorded by agencies in the State's financial management system.

Appropriations – the legal authorization to make expenditures for specific purposes within the timeframes and amounts authorized by law.

Budget – a proposed plan of revenue and expenditures for a given period.

Budget Check – compares the transaction to available spending authority. If there is available spending authority, the transaction continues processing. If there is not available spending authority, then the transaction stops. Budget Check exceptions are resolved via the Budget Execution and Management business process.

Budgetary Obligations – encumbrances and payables to denote the planned or committed use of budget for the payment of goods and/or services ordered.

Budget Amendment – legal means by which an adopted budget can be modified.

Budget Journal – budgetary accounting entries recorded directly in Commitment Control ledger to update or transfer balances.

Control – the process of ensuring amounts do not exceed authorized budget limits.

Fiscal Year – any consecutive 12-month period designated as the official budget year of the financial reporting entity. The FY for the State of Florida begins on July 1 and ends the following June 30.

General Appropriations Act (GAA)/Adjusted Appropriations – includes line items and back of the bill appropriations, vetoes, supplementals, failed contingents, nonoperating, releases (1st quarter), reorganizations, transfers, debt service, and reserves.

Releases – the method used for controlling the availability for use of an appropriation in which the amount of budget is identified (usually released quarterly in the case of general revenue and annually for trust funds and certain categories).

Reserves – a budgeted amount segregated from available appropriations and held until certain conditions set by the Legislature are met by an agency at which time they are released to the agency for their use.