

**Other Funds  
Oversight Committee**

**Les Boles  
Office of State Budget**

**November 30, 2010**

# **Increase of Other Funds Authorization (BD-100 Process)**

## **SECTION 2-65-40**

### **South Carolina Federal and Other Funds Oversight Act**

Allows Agencies to increase spending authorization when approved by the Budget and Control Board (Office of State Budget).

# South Carolina Code of Laws

## SECTION 2-65-20

**The General Assembly shall appropriate all anticipated federal and other funds for the operations of state agencies in the appropriations act and must include any conditions on the expenditure of these funds as part of the appropriations act, consistent with federal laws and regulations. Increases in project amounts as appropriated in the act must be authorized in accordance with the procedures set forth in Section 2-65-40, consistent with policies as provided in the appropriations act and other applicable laws and regulations.**

# Purpose

- This process is a “Bridge” from the time an agency prepares its Other Funds revenue estimates in the detail budget, passage of the annual Appropriations Act and implementation of the agency budget.
- It allows for budgeting of unanticipated Other Funds.
- Other Funds revenue estimates are made in September/October prior to passage of the Appropriations Act and beginning of the fiscal year on July 1.

# Criteria for Increase Other Funds Authorization

## SECTION 2-65-40. Expenditure of “other” funds; authorization; Committee reports.

- A. A state agency may spend “other” funds above the amount in the appropriations act and increases in anticipated federal programs if the expenditure of the funds receives the authorization of the board.
- B. Authorizations under this section are subject to the following standards, as applicable:
  - 1) The proposed use of the funds do not result in a fund of surplus money which may be used by the agency to expand programs without legislative approval;

## Cont'd

- 2) If the funds are earmarked for specific use in the appropriations act, or by federal law or regulation, any additional funds must be used for the same purpose;
- 3) If the increase results from a fee or charge for service, the agency has the legal authority to impose the fee, and has secured any approvals required by applicable law or regulations;
- 4) The proposed use of funds assists the state agency to achieve objectives or goals in keeping with the recognized powers and functions of the state agency;
- 5) If the funds are generated from a new revenue source:
  - a) The proposed use of funds covers only a minimum amount of administrative costs necessary to support the revenue collection, and any excess must be remitted to the general fund of the State;

## Cont'd

- b) It is determined that the requesting state agency is the appropriate entity to carry out the proposed activities and no duplication of services is created by the authorization.

# Office of State Budget Process

## Request for Increase in Expenditure Authorization

- An agency must have both revenue receipts (cash) and authorization to spend Other Funds.
- Is cash available? (i.e. brought forward from previous year) or
- Is the request supported by increase in projected revenue? (i.e. agency grant)
- Authorization/Justification (i.e. proviso or statute)
- Does the proposed use of funds assist the state agency to achieve its mission and objectives in keeping with the recognized powers and functions of the agency?



# Summary of Approved Requests for Increased Other Funds Authorization

**FY 2009-10**

<u>Number</u>	<u>Amount</u>	<u>Category</u>
21	\$29,444,322	Appropriation Act Agency proviso or statute
28	\$68,720,153	Flexibility Proviso
29	\$6,021,588	Grants from other agencies, counties, private sector
20	\$315,481,042	A.R.R.A. Federal Stimulus Funds
9	\$2,835,101	Sale of assets or land used in agency operations
11	\$22,704,952	Supplemental, CRF, Enforced Collections with carried forward and expenditure authority
<u>52</u>	<u>\$110,174,727</u>	Other
170	\$555,381,885	

*\*\*Note: 28 transactions totaling \$160,869,496 included in Appropriations Act*

# Summary of Approved Requests for Increased Other Funds Authorization

**FY 2010-11 thru November 2010**

<u>Number</u>	<u>Amount</u>	<u>Category</u>
19	\$49,627,248	Appropriations Act Agency proviso or statute
13	\$25,841,594	Flexibility Proviso
19	\$9,890,956	Grants from other agencies, counties, private sector
8	\$1,729,757	A.R.R.A. Federal Stimulus Funds
5	\$1,541,105	Supplemental, CRF, Enforced Collections with carry forward and expenditure authority
<u>9</u>	<u>\$2,547,705</u>	Other
73	\$91,178,364	

*\*\*Note: 32 transactions totaling \$151,502,927 included in Appropriations Act*

# Example

# Other Funds Oversight Committee

## Criteria for Reviewing Requests:

- ALL
- Dollar Threshold
- Dollar Amount as a Percent of Other Funds Budget

**Office of State Budget  
Request for Other Funds Authorization**

Agency Code: \_\_\_\_\_ Amount Requested: \_\_\_\_\_

Agency Name: \_\_\_\_\_

**Purpose (Why is additional authorization needed?):**

**Justification:**

1. Is all or part of the expenditure authorization supported by actual cash received and brought forward from the previous fiscal year? If yes, what is the funding source?

Yes  No

Funding Source:

2. Is all or part of the expenditure authorization request supported by an increase in projected revenue?

Yes  No

2a. If yes, select and attach appropriate documentation.

Contract  Grant  
 Stimulus Funds  Proviso/Statute \_\_\_\_\_

3. Was this included in your current revenue estimate? If yes, why the need for an increase? If no, why was it not included?

Yes  No

4. Will this be included in your agency's revenue estimate for the next fiscal year? If yes, indicate the amount proposed. If no, why not and how much will need to be built in?

Yes  No

Amount proposed \_\_\_\_\_ Amount to be built in \_\_\_\_\_

**SIGNATURE**

\_\_\_\_\_  
Typed name of Authorized Representative

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date Signed

For OSB Use	
Base Other Fund Authorization _____	Date to Committee _____
Percent Increase _____	Committee Recommendation _____
YTD Other Fund Approved Increases _____	Yes _____
YTD Percent Increase _____	No _____