

Allotment Process Training



DAS DEPARTMENT OF
ADMINISTRATIVE
SERVICES

Chief Financial Office: Statewide Audit & Budget Reporting Section (SABRS)

PRESENTATION OVERVIEW

Topics:

- ❑ Allotments
- ❑ Why and How we use allotment plans
- ❑ What is the general allotment process?
- ❑ Allotment Mechanics and Instructions
- ❑ Allotment Revisions
- ❑ Common Allotment Issues and Questions

Allotments

After the legislative body has adopted the budget and the Governor has signed the agency's appropriation bill SABRS establishes the appropriation amounts on the accounting system (R*Stars) for each agency.

- SABRS processes the first quarter allotment for the biennium at 15% of the agency's limitation that was granted in the appropriation budget bill. (There are some agency-specific exceptions that can apply.)
- Agencies prepare their allotment plans for each of the remaining quarters of the state's fiscal biennium.
- SABRS audits the agency allotment plan and related R*Stars transactions.
- The CFO agency analyst reviews and approves/denies the allotment plans.
- Once approved, SABRS processes the allotment transactions on R*Stars.



Allotments

An agency's budget staff prepares an allocation plan (i.e. allotment) that spreads anticipated spending out of each appropriation over the fiscal year or biennium. In Oregon funds are allotted quarterly.

This periodic release of funds serves several purposes:

- Avoidance of premature exhaustion of funds
- Maintenance of a balanced budget and
- Prevention of deficits.

Allotment planning can be equal amounts spread over the course of the biennium or can be adjusted to follow historical or seasonal spending trends.

Funds can also be allotted as a lump sum or can be allocated on the basis of one or more expenditure categories dictated by the appropriation. (i.e. debt service, special payments)



Why and how we use allotment plans

- ❑ Allotments are required by ORS 291.234 which states in part, “The Oregon Department of Administrative Services shall make allotments to state officers and agencies of appropriations and funds...”
- ❑ The allotment process allows the Department of Administrative Services (DAS) to estimate the need for revenue to support forecast spending for the biennium.
- ❑ R*Stars is used to allocate the funds to agencies each quarter on the first days of July, October, January and April.
- ❑ Agencies email allotment plans to SABRS with a “cc” to both their CFO and LFO analysts each quarter.
- ❑ SABRS audits the plans and, once approved by CFO analyst, releases the allotment transactions on R*Stars.

Allotment Mechanics- Template Instructions

Using the allotment plan spreadsheets the agency completes all applicable items for each of their appropriations.

- ❑ The Allotment Template is a spending plan tool that the agency will use to estimate anticipated expenditure needs for future quarters.
- ❑ Using your agency's financial plan and projections, determine the quarterly estimates for each account category i.e. Personal Services, Services and Supplies, etc. (Total Allotment across all 8 quarters **must = the R*Stars 62 screen Total Appropriation.**)
- ❑ Because each appropriation is different, agency budget staff should work with program and accounting staff to ensure that the appropriate allotment estimate is requested.
- ❑ Agencies submit allotment plan requests within three weeks prior to the start of the quarter. (i.e. For quarter beginning October 1st, submission should be no later than September 15th.)

Allotment Mechanics- Template Instructions

The allotment need is the total allotment requested through the current period, LESS the current allotment amount on the 62 screen.

- ❑ The total request is always the actuals for the closed periods plus the estimates for the next **two** unclosed periods.
 - ❑ For example, if request is for the 6th quarter the total allotment is the actuals from Q1-Q4 PLUS estimates for Q5 & Q6. Using this value subtract the allotment amount from the 62 screen to get the net request for the 6th quarter allotment.
 - ❑ The 6th quarter allotment amount is what is entered into R*STARS for the appropriation.

The allotment plan spreadsheet totals (“Actual”, “Biennial Total” and “Allot to Date”) must balance to the R*STARS 62 screen for each appropriation. Agencies can use R*Stars to access the information on the 62 screen or if you have multiple appropriations you can run a query on the SFMA DataMart to gather this information.

Example of R*Stars 62 Screen:

S062 UC: 03	STATE OF OREGON	10/24/18 09:58 AM	
LINK TO:	APPROPRIATION FINANCIAL INQUIRY	PROD	
AGY: 119 APPN YEAR: 19 APPN #: 30000	OTHER FUNDS LIMITATION		
APPR FUND: 3400 FUND:	COMP SRCE/GRP:	OBJ/COMP OBJ:	
PRG CD: 4000 LVL: 02 OPERATING REVENUE	ORG CD:	LVL:	
INQ TYPE: MC INQ YEAR: 19 INQ MONTH: 04	DETAIL/SUMMARY: D		
CASH BASIS BUD:	332,390.91	ADJ BUD: 1,042,020.00	
ACCR BASIS BUD:	332,265.91	REM APPN ALLOT: 103,749.91	
ENC BASIS BUD:	332,265.91	ALLOT TO BUD \$: 78.00	
EXP TO BUD \$: 68.10		UNSCHE TO BUD \$: 0.00	
BT TITLE	AMOUNT	BT TITLE AMOUNT	
01 ORIG BUDGT	1,060,855.00		
02 REVISIONS-	18,835.00-		
12 CASH REVEN	700,631.66		
14 ACCRD REVE	1,031,843.41		
15 CASH EXPEN	709,629.09		
17 ACCRD EXPE	125.00		
23 ALLOTMENT-	813,504.00		
30 UNITS ACCU	6,448.17		
F1-HELP	F2-DOC INQ	F5-NEXT	F9-INTERRUPT ENTER-INQUIRE CLEAR-EXIT

ADJ BUDG:
 +BALANCE TYPES 01, 02, 04, 06
 -BALANCE TYPES 03, 05, 07, 08

The “Biennial Total” on the Allotment Form equals Balance Type 01 Original Appropriation plus Balance Type 02 Revisions.

The “Allot to Date” field on the Allotment Form equals the Balance Type 23 Allotment.

Allotment Mechanics- Template Instructions

- ❑ Enter the actuals from the last closed quarter (amount from RStars or DataMart query).
- ❑ Update the expenditure estimates for future quarters.
- ❑ Biennial Total amount must match the R*Stars 62 screen or DataMart query “ADJ BUD” amount.
- ❑ The R*Stars batch transaction amount for each appropriation should match the allotment plan amount in the Allot Request cell (column N with yellow highlight).
- ❑ Verify all amounts match between the allotment plan spreadsheets, R*Stars transaction/batch entries, and the 62 appropriation values.
- ❑ Submit the allotment plan workbook along with the agency request cover memo by email to Orbits.help@Oregon.gov (cc both CFO and LFO agency analysts).

Example of Allotment Form

The screenshot displays an Excel spreadsheet titled "2017-2019 Biennium Annual Allotment Report" for the "Dept of State Agency". The report is organized into two main sections: "1st Quarter" and "2nd Quarter". Each section includes a table with columns for "1st Quarter", "2nd Quarter", "3rd Quarter", "4th Quarter", "1st Year Subtotal", "5th Quarter", "6th Quarter", "7th Quarter", "8th Quarter", "2nd Year Subtotal", "Unscheduled", and "Biennial Total". The data rows are categorized by "Personal Services", "Services & Supplies", "Capital Outlay", and "Special Payments". Each category has three rows: "1 Estimate", "2 Actual", and "3 Deviation". The "Actual" and "Deviation" rows show zero values. The "1st Year Subtotal" and "2nd Year Subtotal" rows also show zero values. The "Unscheduled" and "Biennial Total" columns show zero values. The "1st Qtr Allot" value is highlighted in yellow in the "Unscheduled" column of the "1st Quarter" section.

Category	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Year Subtotal	5th Quarter	6th Quarter	7th Quarter	8th Quarter	2nd Year Subtotal	Unscheduled	Biennial Total
Personal Services	0	0	0	0	0	0	0	0	0	0	0	0
Services & Supplies	0	0	0	0	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0	0	0	0	0
Special Payments	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0
Quarter Start Date	07/01/17	10/01/17	01/01/18	04/01/18	0	07/01/18	10/01/18	01/01/19	04/01/19		1st Qtr Allot:	0

Allotment Mechanics- Updated Spreadsheet Quarters

Here is a video example of how to update the allotment plan worksheets for a new quarter by “copying forward”. (click on picture to play embedded video)

In the video, you can briefly see how a quarter is copied forward and the 6th quarter allotment formula for the quarter and updated with the actuals for closed periods and estimates for the next two unclosed periods.



Allotment Mechanics- Estimations

Agency budget staff should use prior quarter information as well as historical data to estimate the quarterly allotment needs of the agency. Future estimates can be adjusted based on agency needs and prior actual amounts. Budget staff should work with Accounting staff, Capital Finance Staff (if applicable), and Agency Program offices to assist in analyzing the following items for each quarter allotment estimates:

- ❑ Any contracts that have deliverable amount in that quarter being estimated
- ❑ Personal service costs (wages, OPE, and other personnel related costs)
- ❑ Spending trends based off historical expenditures for that quarter
- ❑ Upcoming, large service and supply expenses that are known at time of estimate
- ❑ Upcoming debt service or other special payments

Allotment Mechanics- Allotment Request Values

Your Allotment Form must be balanced before submission. This means:

- ❑ The “biennial total” (total appropriation i.e. ADJ BUD) and “allotted to date” (i.e. 23 ALLOTMENT) must balance to R*STARS screen 62.
- ❑ The actuals from the last completed quarter are entered and match to R*Stars. (If no expenditure for that quarter enter a placeholder of “.001”.)
- ❑ Variances from closed quarter actuals to original estimates should be moved to future quarters only to balance with R*Stars.
- ❑ No prior quarter adjustments were made – all adjustments can only be made in the “new” requesting quarter and forward.
- ❑ Only use whole dollar amounts to avoid rounding issues (there are no cents in budget).
- ❑ When balanced for each appropriation, your accounting or budget staff make the R*Stars entries for each appropriation matching the "Allot Request" amount on the worksheets.

Allotment Mechanics- Entering Allotment into SFMA Instructions:

- ❑ Log into R*Stars as UC 40
- ❑ Go to the 500 screen to create the batch header:
 - ❑ Batch Date = current date
 - ❑ Batch Type = 1
 - ❑ Batch Edit Mode = 1
 - ❑ Effective Date = the OSPA Run 1 Cutoff date for current month or later
 - ❑ F10 to Save and move to transaction entry screen

*The information in the table to the right should be used as a guide only.

Field/Topic	Example
User Class	40
Batch Agency	120
Batch Type	1
Batch Number	3 digit number
Save	F10
Doc Date	current date
Eff Date	always use the first day of the following month (e.g.070115)
Ref Doc/Sufx	appropriation number
Cur Doc/Sfx	AL(Quarter) Agy number e.g. AL02A581
Trans code	allotment 002, (unscheduling 014 only)
Index	enter index number for allotment (if applicable)
PCA	enter PCA number for allotment
Amount	enter allotment amount requesting
Description	Quarter entering (e.g. Quarter 2 Allotment)
Edit Save	F4
Save	F10

Allotment Revisions

The allotment process will allow for an agency to adjust estimates during a current “open” quarter. However, the agency must provide the justification of why a mid-quarter adjustment (reduction/increase) is necessary.

Items to remember/include for allotment plan revision requests:

- Cover Memo signed
- Explanation and reason for the allotment adjustment

Email Signed memo, justification and spreadsheet to:

- CFO SABRs ORBITS.Help@Oregon.gov
- CFO Analyst
- LFO Analyst
- Haylee Morse-Miller (LFO)
- Ken Rocco (LFO)

Common Allotment Issues and Questions

Why is the R*Stars batch still on the 530 screen?

- The effective date may not have occurred yet. Meaning the batch has been released, but will not process until the effective date is reached.
- There could be a PCA or Index error that caused the batch not to process.
- The batch was opened in Edit mode instead of view only mode (F2) by someone causing the batch to be put back on hold. Contact SABRS to re-release the batch.
- The batch was entered using the wrong User Class Code (note: use User Class 40).

Why doesn't the amount on the spreadsheet balance to the 62 screen?

- The spreadsheet may contain extra formulas or cents creating totaling errors. Use whole dollar amounts in both estimates and actuals to reduce the chances of errors.
- The placeholder of “.001” was not entered for a quarter that did not have any actuals.