

Chapter Six: Budget Subschedules

Chapter six provides information regarding the completion of budget subschedules referred to as “posting” subschedules. These subschedules post budget data directly to the Budget Request Summary once marked Complete on the Budget Request Checklist, thereby eliminating the need to reenter expenditure or funding amounts on the budget request for these items. Subschedules included in this chapter are:

- Operating Expenses
- Grants Summary
- Capital Projects
- Extraordinary Repairs
- Equipment Over \$5,000
- IT Equipment and Software Over \$5,000
- Other Capital Payments

The budget request is prepared at the budget account code level. The [Revenue and Expenditure Accounts Listing](#) provides the account codes that may be used in preparing the budget request. The listing also presents the detail account codes used in PeopleSoft. The detail accounts provide guidance in determining where to budget anticipated expenditures.

Change packages must be created prior to entering expenditures and funding into posting subschedules. Use the Change Package Description tab in any posting subschedule to create as many change packages as are necessary to adequately identify various changes. Change packages created in one posting subschedule can also be used in other posting subschedules.

Operating Expenses

The Operating subschedule is used to enter budget changes for all operating account codes. Operating expenses may include equipment and repair items if those items are under \$5,000. Corresponding freight and installation should be budgeted under the same line item the equipment item is budgeted. Because of the equipment’s portability, the price of each piece of a wall or desk station unit, such as Herman Miller units, should be considered individually when determining which line item to use.

All computer software expenditures of \$5,000 or less should be budgeted under the Operating Expense line item with the account code 531000 Supplies – IT Software using the Operating Expenses subschedule.

All computer software expenditures greater than \$5,000 should be budgeted under the capital assets line with account code 693000 IT Equipment/Software-Licenses > \$5,000 using the IT Equipment and Software over \$5,000 subschedule.

As noted in OMB policy number 211, the Statewide Conference Fund #212 is to be used only when the expenses of hosting a conference are **NOT** included in the agency appropriation. The statewide conference fund is **NOT** to be used for conferences that occur on a regular, ongoing basis. For such conferences, agencies are required to budget for them in the agency budget request.

Operating Expenses Window

Navigation

Log On =>Checklist=> Operating

Purpose

The Operating Expenses window is used to access the funding and expenditure windows for entering operating expense changes.

Funding and Expenditures

Have to enter a project to use for this subschedule. This only needs to be done once and can be used for all change packages in the Operating Expenses subschedule.

Click the Change Package tab to enter the requested changes for each account code. Select the appropriate reporting level, Object Type and Line.

Use the Add icon to insert a new line. Select the Change Package and Object Number from the drop down.

- Remove one-time operating expenses authorizations in the **Remove One-Time** column using change type AE.
- Base budget changes in the **Base Budget Request** column using change types AA or AB.
- Optional budget changes in the **Optional Request** column using change types AC, AD, or AG.

After saving the data, repeat the process to enter the remaining funding or expenditures for the change package, ensuring that Funding and Expenditures are in balance for each change package.

Grants Summary

Grants Summary Window

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600 Programs Grants Summary Change Package

	2015-17 Biennium Appropriation	Remove One-Time	2017-19 Base Budget Changes	2017-19 Base Budget Request	2017-19 Optional Request	2017-19 Total Budget Request
1 Child Care Center Grants	1,000,000	0	0	1,000,000	0	1,000,000
60 Grants	1,000,000	0	0	1,000,000	0	1,000,000
2 Education Grants	0	0	400,000	400,000	0	400,000
60 Grants	0	0	400,000	400,000	0	400,000
Expenditures Total	1,000,000	0	400,000	1,400,000	0	1,400,000
1 Child Care Center Grants	1,000,000	0	0	1,000,000	0	1,000,000
FED Federal Funds	200,000	0	0	200,000	0	200,000
GEN General Fund	700,000	0	0	700,000	0	700,000
SPEC Special Funds	100,000	0	0	100,000	0	100,000
2 Education Grants	0	0	400,000	400,000	0	400,000
FED Federal Funds	0	0	400,000	400,000	0	400,000
Funding Total	1,000,000	0	400,000	1,400,000	0	1,400,000

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Grants Detail Window

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600 Programs Grants Summary

Obj Type - Expenditures Line - 60 Grants

Project - 1 Child Care Center Grants

Object No	2015-17 Biennium Appropriation	Remove One- Time	2017-19 Base Budget Changes	2017-19 Base Budget Request	2017-19 Optional Request	2017-19 Total Budget Request
GS7120 - Grants, Benefits, & Claims	1,000,000	0	0	1,000,000	0	1,000,000
Total Grants	1,000,000	0	0	1,000,000	0	1,000,000
Total Funding	1,000,000	0	0	1,000,000	0	1,000,000

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Navigation

Log On=>Checklist=> Grants Summary

Purpose

This window provides an agency-wide summary of the grants line item.

Using the Window

This window provides information on grants an agency provides to other entities. Information regarding each grant must be entered for both the current and the budget request biennium.

Click Add and enter the required information. The description for the grant program should include the name of the program. The explanation should include the purpose of the grant and, unless listed elsewhere, the entity to which the money will be granted.

Funding and Expenditures

Select the grant on the Grants Summary Select tab. Choose the appropriate reporting level, and then select the Detail tab. Enter the current biennium appropriation and related funding source information for each grant previously added on the Grants Info window. Click the Change Package tab.

Use the Change Package window to enter:

- Base budget changes in the **Base Budget Request** column using change types AA or AB.
- Optional budget changes in the **Optional Request** column using change types AC, AD, or AG.

Click Add and select expenditures from the Object Type drop down. Select the appropriate line, project, change package description, the Grants account code, and enter the expenditure amounts. Save the data and then enter related funding source amounts ensuring that funding and expenditures are in balance for each change package.

Capital Projects

The capital projects subschedule is used to enter capital construction projects.

Capital Projects - Definition

Capital projects include spending for new construction, additions, and demolitions of buildings and infrastructure. Care should be taken when considering whether an expenditure is a capital project or an extraordinary repair.

Extraordinary Repairs - Definition

Extraordinary repairs are relatively large expenditures that benefit more than one operating cycle or period. If a repair will benefit several periods and/or extends the useful life of the asset, then the cost of the repair should be budgeted as an extraordinary repair within the capital assets line. Extraordinary repairs are entered in the extraordinary repair subschedule not the capital projects subschedule.

Capital projects are requested and funded on a project-by-project basis. The capital budget request becomes a long-range planning document reflecting the State’s capital needs. A long-range capital budget assists the executive and legislative branches of government in formalizing capital funding objectives, setting spending priorities, and efficiently allocating limited financial resources. By completing the capital budget, agencies are planning for future needs and communicating those needs to OMB and the Legislature.

Criteria for prioritizing capital projects include items such as court-ordered or statutory (external) mandates; health, safety and environmental concerns; state policy direction; funding availability; and program needs. All capital projects for which funding is requested must meet ADA requirements.

Capital Projects Window

The screenshot displays the 'Internet Budget and Reporting System' interface. The main form is for a capital project with the following details:

- Version:** 2015A0100110
- Number:** 1
- Priority:** 1
- Description:** Office Building
- Start Date:** Month: 07, Day: 01, Year: 2015
- End Date:** Month: 06, Day: 30, Year: 2016
- Is this a multiennium project?:** No
- No. of bienniums:** 1
- Total estimated project costs:** \$1,500,000
- Are there ongoing savings and efficiencies anticipated as a result of this project?:** Yes

Ongoing operating costs or savings (show as negative amount) related to this project:

	2015-17 Biennium	2017-19 Biennium	2019-21 Biennium
Salaries and Wages	\$0	\$0	\$0
Operating Expenses	-150,000	-175,000	-200,000
Equipment > \$5,000	25,000	25,000	25,000
IT Equipment > \$5,000	15,000	15,000	15,000
Special Lines	0	0	0
Total Expenditures	-\$110,000	-\$135,000	-\$160,000
General Fund	-\$110,000	-\$135,000	-\$160,000
Other Funds	0	0	0
Federal Funds	0	0	0
Total Funding	-\$110,000	-\$135,000	-\$160,000
FTE	0.00	0.00	0.00

Does this project:

- Address life safety code requirements? No
- Address federal laws or requirements? No
- Address environmental/health concerns? Yes
- Address critical maintenance needs, which if neglected could result in damage to the structural integrity of the building? No
- Address state building/fire code requirements? No
- Continue a project partially funded by the legislature in a previous biennium? No
- Comply with the agency's facility master plan? No

Is this a state facility energy improvement project (NDCC Section 54.44.5-08)? No

If yes, what are the estimated biennial savings: \$0

If yes, has the project been submitted to the Div. of Community Services? No

**** All Fields Required ****

At the bottom of the page, there is a footer: "Affinity Global Solutions Copyright © 1995-2012 Build: 1394773200 DB Build: 1394773200"

Navigation

Log On =>Checklist=>Capital Projects

Purpose

The Capital Projects window summarizes and prioritizes capital projects. Costs or cost savings related to capital projects, such as salaries, operating expenses, and rent reductions are entered directly on the Capital Projects window for informational purposes. The anticipated direct costs for the project for the next three bienniums are also entered on the Capital Projects Information tab.

Using the Window

Enter the sequential number for the request. Next, enumerate the priority for this project, as ranked among all capital projects included in the budget request. To rank the capital project in relation to other non-capital budget needs, use the priority field on the Change Package Description.

Tip *The priority field is an important consideration for OMB when analyzing a capital project request. Make sure the appropriate number has been entered in this field.*

Enter a short description or title. Additional narrative, detailed explanations and cost benefit analysis must be entered using the Narrative tab.

Enter the anticipated starting and ending dates for the project. Next enter the total number of bienniums over which the project will be completed and the total estimated cost of the project

Answer Yes or No to the question related to ongoing savings or efficiencies.

Complete the schedule of ongoing operating costs or savings related to this project. Savings should be shown as negative numbers. Include any additional FTE that will be requested to operate or maintain the facility.

Explain operating costs or savings within the Narrative tab in the Cost Benefit Analysis and Project Specifications and Justification fields.

Answer Yes or No to each of the questions in the next section of the window under the heading “Does this project:” Where necessary, offer additional explanation using the Narrative fields.

The final section of the window relates to the State Facility Energy Improvement Program. Answer the questions in this section and click the Save icon.

If the agency had a capital projects appropriation in the current biennium, a project with the description “Remove Current Biennium Capital Assets” must be entered on the Info tab. Use the Change Package tab, as explained below to enter a negative amount equal to the current biennium appropriation.

See Chapter 8 for a detailed explanation of the Capital Projects narrative section.

Funding and Expenditures

Select the project on the Select tab. Choose the appropriate reporting level, and then click the Change Package tab.

Use the Change Package window to enter:

- Removal of any capital projects authority in the current biennium. Use change type AF to remove the current biennium capital projects appropriation from the base. Assign changes to the project labeled “Remove Current Biennium Capital Assets.”
- Base budget changes in the **Base Budget Request** column using change types AA or AB.
- Optional budget changes in the **Optional Request** column using change types AC or AD.

Click Add and select Expenditures from the Object Type drop down. Select the appropriate line, project, change package description, the land and buildings account code, and enter the expenditure amounts. Save the data and then enter related funding source amounts ensuring that funding and expenditures are in balance for each change package.

Create separate Info tab entries and use the Detail tab to enter funding and expenditure amounts for projects that will take place during either of the two bienniums subsequent to the budget request biennium. These amounts are entered for planning purposes to inform OMB and the legislative branch of upcoming capital needs.

Tip *All capital projects included in the budget request will be entered as a change package.*

Extraordinary Repairs

The Office of Management and Budget uses formulas, applied to an inventory listing of [Buildings and Infrastructure](#) as a guide to determine the amount that should be spent to maintain assets. The Buildings and Infrastructure guidelines provide detailed information on both valuing and estimating repair costs for buildings and infrastructure.

The Extraordinary Repairs subschedule is used to enter major or extraordinary repair items. Extraordinary repairs are relatively large expenditures that benefit more than one operating cycle or period. If a repair will benefit several periods and/or extends the useful life of the asset, then the cost of the repair should be budgeted as an extraordinary repair within the capital assets line. Include all repairs to buildings and infrastructure involving dollar amounts in excess of \$5,000 that are non-recurring in nature, and increase the value or service life of the asset.

Individual items less than \$5,000 should not be included in extraordinary repairs but should be budgeted for and paid out of the operating line. Projects of the same nature with an individual value of \$5,000 or more can be aggregated and requested as one project.

Ordinary repairs are expenditures made to maintain plant assets in operating condition and are less than \$5,000. These repairs should not be budgeted as part of the capital assets line

but rather should be budgeted under an account code within the operating line. Ordinary repairs are preventive maintenance, normal periodic repairs, replacement of parts, structural components, and other activities such as repainting, and equipment adjustments that are needed to maintain the asset so that it continues to provide normal services. Examples of ordinary repairs include:

- roof and/or flashing repairs
- window repairs and glass replacement
- painting
- masonry repairs
- floor repairs

Extraordinary Repairs Window

Navigation

Log On =>Checklist=>Extraordinary Repairs

Purpose

The Extraordinary Repairs window summarizes and prioritizes extraordinary repair projects. Amounts requested for the upcoming biennium are entered on the Change Package tab.

Using the Window

Enter the sequential number of the request and the priority number for this project, as ranked among all extraordinary repair items included in the budget request. To rank the repair in relation to other non-capital budget needs, use the priority field on the Change Package Description.

Enter a short description or title.

Enter the anticipated starting and ending dates for the repair project. Next enter the total number of bienniums over which the project will be completed and the total estimated cost of the project.

The final section of the window relates to the State Facility Energy Improvement Program. Answer the questions in this section, Save, and then insert the budget data for this project by using the Change Package tab.

If the agency had an extraordinary repairs appropriation in the current biennium, a project with the description “Remove Current Biennium Capital Assets” must be entered. Use the Change Package tab, as explained below to enter a negative amount equal to the agency’s current biennium appropriation.

Funding and Expenditures

Select the project on the Select tab. Choose the appropriate reporting level, and then click the Change Package tab.

Use the Change Package window to enter:

- Removal of any extraordinary repair authority in the current biennium. Use change type AF to remove the current biennium extraordinary repairs appropriation from the agency’s base budget. Assign changes to the project and enter the negative amount in the **Remove Capital and One-Time** column.
- Base budget changes in the **Base Budget Request** column using change types AA or AB.
- Optional budget changes in the **Optional Request** column using change types AC or AD.

Tip *All extraordinary repair projects included in the budget request must be entered as a change package.*

Click Add and select expenditures from the Object Type drop down. Select the appropriate line, project, change package description, the extraordinary repairs account code, and enter the expenditure amounts. Save the data, and then enter related funding source amounts ensuring that funding and expenditures are in balance for each change package.

Other Capital Payments

The Other Capital Payments window is used to enter:

- Department of Transportation road and highway projects.
- State Water Commission water projects.
- Special assessments.
- Bond payments.
- In lieu of tax payments.

Other Capital Payments Window

Navigation

Log On =>Checklist=>Other Capital Payments

Purpose

The Other Capital Payments window summarizes and prioritizes other capital payment items.

Using the Window

Enter the sequential number of the request and priority number for this project, as ranked among all other capital payment items included in the budget request. To rank the item in relation to other non-capital budget needs, use the priority field on the Change Package Description.

Enter a short description or title.

From the dropdown, select Bond Payments, Special Assessment Payments, In Lieu of Tax Payments, or Other. If other, explain using the Narrative tab.

If the agency had an other capital payments appropriation in the current biennium, a project with the description “Remove Current Biennium Capital Assets” must be entered. Use the Change Package tab, as explained below, to enter a negative amount in the **Remove Capital and One-Time** column equal to the current biennium appropriation.

Funding and Expenditures

Select the project on the Select tab. Choose the appropriate reporting level, and then select the Change Package tab.

Use the Change Package window to enter:

- Removal of any other capital payments authority in the current biennium. Use change type AF to remove the current biennium other capital payments appropriation from the base budget. Assign changes to the project labeled “Remove Current Biennium Capital Assets” and enter the negative amount in the **Remove Capital and One-Time** column.
- Base budget changes in the **Base Budget Request** column using change types AA or AB.
- Optional budget changes in the **Optional Request** column using change types AC or AD.

Click Add and select expenditures from the Object Type drop down. Select the appropriate line, project, change package description, the other capital payments account code, and enter the expenditure amounts. Save the data, then enter related funding source amounts ensuring that funding and expenditures are in balance for each change package.

Equipment Over \$5,000

Equipment Over \$5,000 Window

The screenshot displays the 'Equipment Over \$5,000' window in the Internet Budget and Reporting System. The window title is 'Internet Budget and Reporting System' and the date is 'Wednesday, May 04, 2016, 03:26 PM'. The user is logged in as 'barsea324\barsprod\2017A2500324\EJA'. The form contains the following fields and values:

- Version: 2017A2500324
- Number: 1
- Priority: 1
- Description: Skid Steer Loader
- Explanation: Skid Steer Loader
- Is this proposed expenditure for the replacement of existing equipment?: Yes
- Estimated useful life (years): 15
- Unit price: \$25,000
- Number of units (base request): 1
- Total base request: \$25,000
- Number of units (optional request): 0
- Total optional request: \$0
- Total base and optional request: \$25,000

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Navigation

Log On =>Checklist=>Equipment Over \$5,000

Purpose

The Equipment Over \$5,000 window is used to enter all non-IT equipment in excess of \$5,000. Individual items less than \$5,000 should be budgeted for and paid out of the operating line.

Using the Window

Click Add and enter the sequential number for the request and priority number for this project, as ranked among all other Equipment Over \$5,000 items included in the budget request. To rank the item in relation to other non-capital budget needs, use the priority field on the Change Package Description.

Enter a short description or title of the equipment. The Explanation field should include a description of the equipment and its purpose. Similar equipment with an individual value of \$5,000 or more can be aggregated and requested under one description. However, adequate detail needs to be provided so that the exact type and quantity of equipment can be determined. For example, 5 riding lawn mowers is fine, but lawn maintenance equipment is too general.

Indicate if the proposed purchase is to replace existing equipment.

Indicate the estimated useful life of the new equipment. Enter the unit price and the number of units in the base and optional requests.

If the agency had any equipment over \$5,000 appropriation in the current biennium, a project with the description “Remove Current Biennium Capital Assets” must be entered. Use the Change Package tab, as explained below to enter a negative amount in the **Remove Capital and One-Time** column equal to the current biennium appropriation.

Funding and Expenditures

Select the project on the Select tab. Choose the appropriate reporting level, and then click the Change Package tab.

Use the Change Package window to enter:

- Removal of any equipment over \$5,000 authority in the current biennium. Use change type AF to remove the current biennium equipment over \$5,000 appropriation from the base. Assign changes to the project labeled “Remove Current Biennium Capital Assets” and enter the negative amount in the **Remove Capital and One-Time** column.
- Base budget changes in the Base **Budget Request** column using change types AA or AB.
- Optional budget changes in the **Optional Request** column using change types AC or AD.

Click Add and select expenditures from the Object Type drop down. Select the appropriate line, project, change package description, the Equipment Over \$5,000 account code, and enter the expenditure amounts. Save the data, and then enter related funding source amounts ensuring that funding and expenditures are in balance for each change package.

IT Equipment and Software Over \$5,000

IT Equipment and Software Over \$5,000 Window

Navigation

Log On =>Checklist=>IT Equip and Software Over \$5,000

Purpose

This window provides detail supporting the request for IT equipment and software in excess of \$5,000. Individual IT equipment and software items less than \$5,000 should be budgeted for and paid out of the operating line.

Using the Window

Click Add and enter the sequential number of the request and the priority number for this project, as ranked among all other IT equipment over \$5,000 items included in the budget request. To rank the item in relation to other non-capital budget needs, use the priority field on the Change Package Description.

Enter a short description or title. The Explanation field should include a description of the item and its purpose. Similar equipment with an individual value of \$5,000 or more can be aggregated and requested under one description. However, adequate detail needs to be provided so that the exact type and quantity of equipment can be determined.

Indicate if the proposed IT equipment purchase is to replace existing equipment.

Enter the unit price and the number of units in the base and optional requests.

If the agency had any IT equipment over \$5,000 appropriation in the current biennium, a project with the description “Remove Current Biennium Capital Assets” must be entered.

Use the Change Package tab, as explained below to enter a negative amount in the **Remove Capital and One-Time** column equal to the current biennium appropriation.

If a request is part of a large IT project, use a change description entitled “IT – (Name of Large IT Project)”. That same change description title and number will be included in the Large IT Project Subschedule. Use the same change package for all related costs throughout all subschedules such as the Operating Subschedule for IT contractual and travel expenses, etc.

Funding and Expenditures

Select the project on the Select tab. Choose the appropriate reporting level, and then click the Change Package tab.

Use the Change Package window to enter:

- Removal of any IT equipment and software over \$5,000 authority in the current biennium. Use change type AF to remove the current biennium IT equipment and software over \$5,000 appropriation from the base. Assign changes to the project labeled “Remove Current Biennium Capital Assets” and enter the negative amount in the **Remove Capital and One-Time** column.
- Base budget changes in the **Base Budget Request** column using change types AA or AB.
- Optional budget changes in the **Optional Request** column using change types AC or AD.

Click Add and select expenditures from the Object Type drop down. Select the appropriate line, project, change package description, the IT equipment and software over \$5,000 account code, and enter the expenditure amounts. Save the data and enter related funding source amounts ensuring that funding and expenditures are in balance for each change package.