
BUREAU OF BUDGET AND MANAGEMENT RESEARCH

STANDARD OPERATING PROCEDURES

SUBJECT: Management of Appropriations

EFFECTIVE DATE: November 8, 2019

○ **MANAGEMENT TOOLS:**

- The Annual Appropriation Act/Federal Grants
- Appropriation Accounts
 - Establishment of Accounts for existing and new accounts
 - Budget Allotment Schedules (BAs)
 - Account numbers
 - Annual Accounts (A)
 - Continuing Accounts (C)
 - Matching Federal Accounts (B, G)
 - Local Match Accounts
 - Federal Account 100% (E, H, etc.)
 - Availability of Funding
- Appropriation Projection Analysis of available funding
 - Appropriation projection form by Section, Division and Department
 - Identify lapsed funding
 - Identify shortfalls

○ **MANAGEMENT EVALUATION:**

- What is my objective?
 - Appropriation Shortfalls and Unforeseen Operational Requirements
 - Need to identify shortfalls
 - Need to identify lapsed funding
 - Need to identify existing encumbrances for possible de-obligation
 - Maximize all fund sources
 - Transfer(journalize) expenditures from the General Fund to Special Revenue Funds that have been appropriated to the department for the same purpose
 - Also applicable to Federal Grants
- How are such fund movements accomplished?
 - De-encumbrance of existing encumbrances (i.e. cancelling purchase orders, contracts, etc.)
 - Advance release of allotments (from September, August, etc. to an earlier month)

- Adjusting accounting entries between divisions of a department and between funding sources (i.e. journal vouchers)
 - Governor's Transfer Authority as authorized in the Annual Budget Act
- How are operational shortfalls addressed?
 - Prepare and submit appropriate documents to BBMR and/or DOA
 - Request for Appropriation / Allotment Modification form
 - Justification must be provided
 - Copy of appropriation projection/analysis
 - DOA Journal Voucher Form
 - De-encumbrance
 - Accounting entries
 - Confirmation or approval of requested changes
 - See AS400 FMS appropriation account
- **EXECUTIVE ORDER NO. 2012-01 (Requirements):**
 - General Cost Containment Measures:
 - Power Usage and Consumption
 - Agency-wide conservation practices are mandatory and electricity usage must be maintained at a minimum level.
 - Cost-saving technologies to help reduce power demand shall be acquired through prescribed procurement practices. Cost-saving initiatives to include weatherization, the use of optimum energy efficient air conditioners, alternative energy programs, and conservation measures shall be adhered to by all departments and agencies.
 - Government offices shall maintain room temperature at seventy-six degrees Fahrenheit (76°F) during working hours.
 - The Guam Energy Office shall monitor power usage and consumption by the departments/agencies/instrumentalities and provide quarterly report to *I Maga'lahaen Guåhan* or *I Maga'hagan Guåhan* on any non-compliance no later than 20 days after the close of each quarter.
 - BBMR shall sequester a percentage of the non-compliant agency's annual appropriation for each quarter of non-compliance.
 - Reorganization
 - Organizational design and restructuring best suited to meet the operational needs of an agency shall be developed. Certain environmental and technological changes or requirements are key factors guiding reorganization initiatives. Achieving economies of scale, maintaining or enhancing efficiencies, improving service delivery and quality of services, at the optimum level of resource allocation shall be instituted and affected government entities shall

ensure compliance with all laws, rules, regulations and policies in implementation of the reorganization.

- Fuel Consumption
 - Trends in the price of fuel, require departments and agencies to employ conservation practices throughout the government, and reduce current fuel consumption by two to five percent.
- Government Procurement
 - DOA shall provide periodic training on procurement procedures to all departments, agencies, and instrumentalities in order to ensure compliance with procurement laws, rules, regulations and guidelines.
 - Year-end procurement requests shall be monitored by BBMR and DOA to identify excessive acquisition and storage practices or stock-piling tendencies.
 - Such amounts identified in such practices shall be reported by DOA to BBMR who shall then sequester these funds.
- Consolidated Training and Staff Development
 - During the course of the fiscal year, staff development and training programs are to be offered without full regard for maximized delivery and participation.
 - Certain departments and agencies have provided internal training programs solely for the benefit of its employees.
 - Agencies that lack resources or expertise to provide similar training programs for its staff shall be considered for joint participation to the extent feasible with the objective of facilitating or promoting staff development and training opportunities on a government-wide basis.
- Fleet Management and Maintenance
 - Reducing fuel costs associated with vehicle fleet maintenance and operation.
 - DPW is tasked to develop recommendations on cost effective program/strategies to attain reduction in costs.
- Authorization to Release Funds
 - The Director of BBMR will make appropriation releases to Government of Guam entities only upon compliance with Executive order requirements
- Monitoring of Non-General Fund Sourced Entities
 - All Executive branch agencies must submit a quarterly financial statement and quarterly staffing pattern to BBMR
 - Such agencies, departments, bureaus, and other instrumentalities must submit copies of their current fiscal year's budget and other fiscal information as requested to BBMR

- **Non-Compliance**
 - Any non-compliance with the requirements through this executive order, inclusive of deadlines, shall result in the immediate return/disapproval of such requests
 - All departments/agencies are liable and responsible for the accuracy and compliance with all rules/regulations and policies governing the respective requests/expenditures
 - BBMR/DOA shall promptly return/disapprove such requests once identified

A copy of Executive Order No. 2012-01 can be found on BBMR's Website: <http://bbmr.guam.gov>

NOTE: This SOP is subject to change by the Bureau of Budget & Management Research