Memo 3: 2023 Biennium Budget Starting Point and SABHRS Standard Budget Orgs

The 2023 Executive Budget will use the 2021 Budget (as it will be extracted from SABHRS in July 2020) as the budget starting point, from which changes will be measured. IBARS will also contain FY 2020 actual expenditures.

These actual expenditures can be used by agencies to calculate/build <u>total</u> budgetary needs for FY 2022 and FY 2023. Incremental growth (change packages) will then be measured from the 2021 Budget. In other words, we will <u>build</u> from FY 2020 actuals and we will <u>measure</u> from the FY 2021 budget.

Each agency will be required to create standard budgets in SABHRS by subclass by fund and **<u>second level account.</u>** These budgets will be mapped to RL 4s in IBARS via the normal Reporting Level and Org/Project mapping exercise. Standard Budgets will only be required for HB 2, NAPROP, and Statutory Appropriations. Standard Budgets are not required for any other sources of authority. Budgets for these sources of authority will still be captured and loaded into IBARS, but the data will be captured from the SABHRS control budget ledger.

Many agencies already use standard budgets in SABHRS as a part of their internal budget monitoring processes. Org values used for standard budgets must be different from the control budget org. To create IBARS starting points, there <u>must</u> be at least one standard budget org used for each RL 4 in an agency, but there may be more. If there is more than one standard budget org used for budgets related to a single RL 4 – each org must be mapped to a unique RL 5 string (which rolls up to the related RL 4).
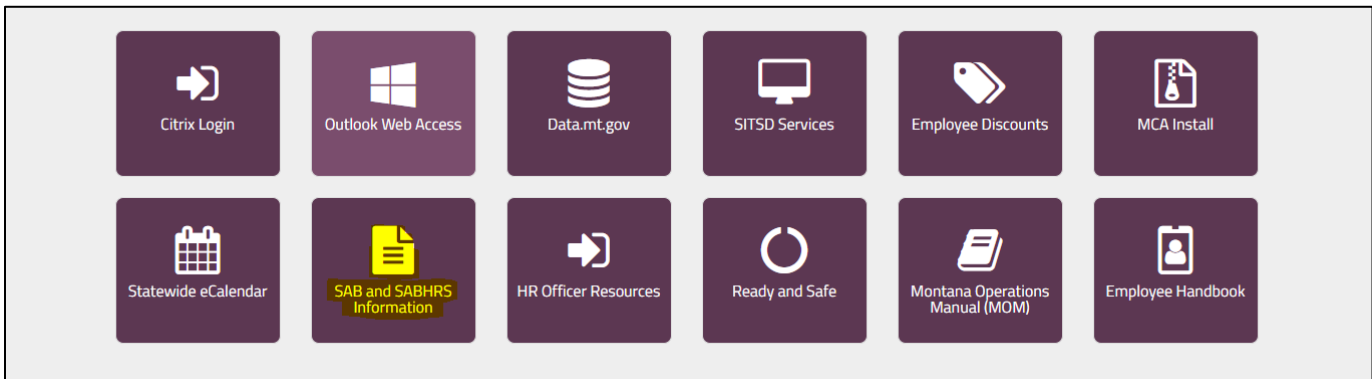
One rule of thumb is that a standard budget used to establish the base budget should have some relationship to actual expenditures. Therefore, reviewing the orgs (and projects if applicable) that are used in posting expenditures and then reusing select orgs as you build your standard budget may be a wise idea. This would simplify mapping and ensure that your budget starting point and your actual expenditures are flowing to the same reporting levels.

In order to ensure that the STANDARD BUDGETS developed in SABHRS tie to the CONTROL BUDGETS that exist in SABHRS, OBPP will cut off acceptance of FY 2021 OP, PT, HA, NA, SA, and AT (depending on source of authority) BCDs on June 1, 2020. BCD types related to non-base sources of authority, such as AA, BA, NB, etc. can still be submitted throughout the fiscal year, although it is assumed there would be very few.

Stopping the submission and processing of FY 2021 BCDs will allow agencies as well as OBPP to conduct validations to ensure that the two budgets (Control and Standard) match by subclass, by fund, and by first level account. All FY 2021 BCDs will be allowed again sometime after the start of the new fiscal year. (Note that after a standard budget is created on SABHRS, each change to a "parent" control budget requires a corresponding change in the "child" standard budget in order to keep the two in sync.)

There are a variety of resources available from the SABHRS Support Bureau related to standard budgets. Links are provided below or they can be located on the MINE page under SABHRS Documentation (link on lower left side of screen below sign in area).

From mine.mt.gov (scroll to bottom) – click SAB and SABHRS Information:

Select 'Financials'

Standard Budgets Overview
- Financials\Training Manuals\Budgets Manual – pages 37 - 43

Entering a Standard Budgets Journal
- Financials\General Ledger\GL Enter Standard Budget Journal

Spreadsheet Journal Import Manual
- Financials\General Ledger\Spreadsheet Journal Import Manual

If you have questions about establishing standard budgets, please contact the MBARS Helpdesk via e-mail at MBARSSecurity@mt.gov.