
FY 2023 Year-End Close Budget Instructions



**Virginia Department of
Planning and Budget**

May 2023

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Introduction

The following instructions provide information for agencies to close out FY 2023 from a budget execution perspective, as offered by the Department of Planning and Budget (DPB). **Instructions for the start-up of FY 2024 are included in a separate document.**

The Department of Accounts (DOA) distributes a separate memorandum detailing accounting procedures and payroll information for year-end close (see <https://www.doa.virginia.gov/reference/generalAccounting/yearend.shtml>). **Do not confuse these instructions as a substitute for DOA's instructions.**

The following are definitions of key terms used in these instructions:

- **FY 2023** means the fiscal year beginning July 1, 2022, and ending on June 30, 2023.
- **FY 2024** means the fiscal year beginning July 1, 2023, and ending on June 30, 2024.
- **Appropriation Act** means Chapter 2 of the 2022 Acts of Assembly, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly, or a subsequent Act to amend and reenact Chapter 2 and which is in effect for the 2022-2023 biennium.

If you encounter any problems or need specific advice or assistance, please contact your DPB budget analyst.

New for FY 2023

For the FY 2023 capital review process, agencies are required to close out projects that received a final certificate of occupancy or the equivalent for all buildings (BITS form CO-13.3 or CO-13.4) prior to May 1, 2022. This means all work for which a building permit (CO-17) was issued has received a final certificate of occupancy (CO-13.3) or the equivalent (CO-13.4). Removing inactive projects from the list of active projects will not only clarify the number of projects an agency is actively managing but will better allow decision makers to judge the ability of an agency to handle additional capital projects. An agency with a large number of active projects gives the perception of being unable to manage all of its existing projects, arguing against the approval of any new projects.

In the rare instance that it is not possible to close out a particular project that meets these criteria, please discuss the situation with your DPB analyst. In future years, projects that remain open longer than 12 months after receiving a certificate of occupancy may be closed administratively at year-end.

Projects meeting the criteria above or that are otherwise ready for closure should be submitted both in the Performance Budgeting (PB) System based on the instructions in this document as well as in the Department of General Services BITS System (via BITS form CO-14).

Projects that have been closed out in the PB System in previous years must be closed out in the Department of General Services BITS System (via BITS form CO-14).

Budget execution year-end close dates

The significant budget deadlines for year-end close are as follows:

<i>Date</i>	<i>Action</i>
June 12, 2023	Deadline for agencies to submit capital project review work items in the Performance Budgeting system
June 15, 2023	Deadline for agencies to submit execution transactions for FY 2023

Final FY 2023 Appropriation and Allotment Actions

Deadline for FY 2023 execution transactions

The deadline to submit budget execution adjustments in the Performance Budgeting system to DPB for FY 2023 appropriation and allotment actions, both operating and capital, is:

5:00 p.m., June 15, 2023

Upon receipt and approval, DPB will process the final FY 2023 actions and transmit them to the Department of Accounts (DOA). **Agency pending budget execution adjustments that no longer need processing must be voided by the agency in the PB system before the closing date.**

After this date, agencies will no longer be able to submit FY 2023 budget execution adjustments in the PB system. You will, however, have access to Performance Budgeting system reports after the deadline to allow you to view voided or completed transactions.

Budgetary Only Fund Codes

Before June 15, 2023, agencies **MUST** clear out any budgetary only fund detail in their operating plan. These fund codes are temporary in nature and **cannot** be used for execution purposes. These codes must be removed from an agency's budget at the close of the fiscal year. Please see the list of budgetary fund details below:

- 02998 Special Fund - Budgetary Only
- 06998 Internal Service Fund - Budgetary Only
- 07998 Trust And Agency Fund - Budgetary Only
- 09998 Ded Spec Rev - Budgetary Only
- 10998 Federal Trust - Budgetary Only

Capital Projects

Review of Active Projects

All active capital outlay projects, including projects authorized in prior biennia or under § 4-4.01 I. of the General Provisions of the Appropriation Act, must be reviewed to identify projects that either i.) have been completed and can be closed out with all remaining appropriation balances reverted, or ii.) are active projects with unobligated appropriation balances that can be reverted. As a result of this review, agencies are required to submit a report through the Performance Budgeting (PB System) for **only those projects that are ready to be closed out or for which some unobligated balances can be reverted.**

Beginning with the FY 2023 review process, agencies are required to close out projects that received a final certificate of occupancy or the equivalent for all buildings (BITS form CO-13.3 or CO-13.4) prior to May 1, 2022. This means all work for which a building permit (BITS CO-17) was issued that has received a final certificate of occupancy (BITS CO-13.3) or the equivalent (BITS CO-13.4). Removing inactive projects from the list of active projects will not only clarify the number of projects an agency is actively managing but will better allow decision makers to judge the ability of an agency to handle additional capital projects. An agency with a large number of active projects gives the perception of being unable to manage all of its existing projects, arguing against the approval of any new projects.

In the rare instance that it is not possible to close out a particular project that meets these criteria, please discuss the situation with your DPB analyst. In future years, projects that remain open longer than 12 months after receiving a certificate of occupancy may be closed administratively at year-end.

Projects meeting the criteria above or that are otherwise ready for closure should be submitted both in the PB System based on the instructions below as well as in the Department of General Services BITS System (via BITS form CO-14).

Projects that have been closed out in the Performance Budgeting System in previous years must also be closed out in the Department of General Services BITS System (via BITS form CO-14).

Entries must be submitted using the Capital Project Review module by **June 12, 2023**, for each project identified to be closed or have unobligated balances reverted.

Using the Capital Project Review Module:

To submit entries in PB, find the Capital Project Review module in the PB System by placing your cursor over the “Capital Budget” tab. Then, from the drop-down list of tasks displayed, place the cursor over “Capital Project Review” and click on “Capital Project Review” from the list of tasks displayed. Use the following steps to complete a submission **for each project to be closed or with unobligated balances to be reverted**:

1. Enter agency code.
2. Select project from drop down list.
3. Project title field should automatically fill.
4. Year field should default to 2023.
5. Carryforward type field:
 - a) Select “B” if the project is to remain active, but some balances can be reverted.
 - b) Select “C” if the project is to be closed and all balances reverted.
 - c) Note that if type “A” (remain active and no balances reverted) is applicable, no action is needed. You do not need to complete a capital project review work item for carryforward type “A” projects.
6. Entries in the “Total Amount to be Reverted” Section should include a separate row for each fund detail applicable to the project for the following two fields:
 - a) “Current Project Budget” field: Reflect the current available appropriation amount for each fund detail. Note that this field will auto-populate with the amount of appropriation the project had *at the beginning of FY 2023*, by fund detail, and is not necessarily reflective of the current appropriation balance. Therefore, you will need to identify the current appropriation in either Cardinal or the project’s [operating plan](#) by fund detail and make any necessary changes in order to reflect the current available appropriation amount by fund detail.
 - b) “Amount” field:
 - (1) If you selected “B” (active, partial reversion) in the Carryforward type field, enter the amount of appropriation to be reverted for each fund detail; or
 - (2) If you selected “C” (closed, complete reversion) in the Carryforward type field, enter the amount of the balance anticipated to be available on June 30, 2023, for each fund detail. (For projects designated to be closed, the Department of Accounts will revert the entire June 30 balance.)
7. To submit entries to DPB, follow the instructions in the Help feature in the PB System on how to submit to DPB.

Agencies must complete their entries **no later than June 12, 2023**.

Sometime in late July or early August, DOA and DPB will bring forward into FY 2024 the June 30, 2023, capital project appropriation balances for those amounts not identified for reversion in the Capital Project Review process described above. Prior to this reappropriation, DOA will calculate 75 percent of the May appropriation/allotment balance and will process an entry in FY 2024 to grant the calculated amount of appropriation/allotment to each applicable capital project in mid-June. This will enable project expenditures to continue until the carryforward of capital balances has been completed.

You may run a report of your Capital Project Review submissions by clicking on the [“BE2.40 - Capital Project Review”](#) report within the Performance Budgeting system reports menu. This report contains a simple listing of active capital projects along with an indication of whether a Capital Project Review work item has been completed for a project. A snapshot of a sample report is shown on the next page.

Note that there may be some projects still showing as active projects that were submitted to be closed in a prior year and were instead kept open in order to allow for the transfer of remaining appropriation balances back to a capital pool or in order to direct the transfer of remaining appropriation balances through proposed budget language. In such instances, please submit these projects to be closed again.

Sample Capital Project Review Report

Capital Project Review

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☒ Secretarial Areas
 ☐ Groups

Administration
 Agriculture and Forestry
 Central Appropriations
 Commerce and Trade
 Education
 Executive Offices

100: Senate of Virginia
 101: House of Delegates
 102: Legislative Department Reversion Clearing
 103: Magistrate System
 104: Judicial Department Reversion Clearing Ac
 105: Virginia Commission on Intergovernmental

Year Submitted

2022

Output Options

☒ Show Submission Status

Shows 1 row per project and whether it has been started, is at the agency, or has been submitted to DPB

☐ Tabular Report for DOA

Submit

Agcy Cd	Agency Name	Project Code	History	Project Title	Workflow Status	FY 2022 Current Amount	FY 2022 YTD Expenditures
123	Department of Military Affairs	10893	history	Mjrp Maintenance Reserve	Not Started	\$2,386,606	\$1,414,755
123	Department of Military Affairs	18124	history	Renovate Waller Depot Complex	Not Started	\$507,385	\$250,498
123	Department of Military Affairs	18186	history	Construct Bowling Green Field Maintenance Shop	Not Started	\$0	
123	Department of Military Affairs	18238	history	Exchange parcels of land with City of Staunton	Not Started	\$11,753	\$272
123	Department of Military Affairs	18309	history	Acquire Land for Readiness Centers	Not Started	\$150,053	
123	Department of Military Affairs	18310	history	Renovate Roanoke Field Maintenance Shop [Inactive]	Submitted to DPB	\$0	
123	Department of Military Affairs	18312	history	Construct Cyber Brigade Readiness Center	Not Started	\$621,422	\$377,847