

DHMH POLICY

<http://www.dhmh.state.md.us/policies/inpolm.htm>

BUDGET REVENUE ADMINISTRATION

DHMH POLICY 02.02.04

Effective Date: May 24, 2011

EXPENDITURE MANAGEMENT PLANS

I. EXECUTIVE SUMMARY

This policy establishes guidelines for the submission of the Department's Expenditure Management Plans (EMP), change to the plans, and the reallocation of funds. The EMP is a projection process which occurs four times during each fiscal year.

The Director, Budget Revenue Administration shall prepare and distribute instructions to all DHMH units for preparation and submission of Quarterly Projections.

After review of the EMP and Quarterly Projections, the Budget Management Office (BMO) will prepare summary reports and meet with Departmental Leadership for approval and/or modifications to these plans. BMO will notify Administrations of decisions and required plans of correction as a result of the meetings with the Departmental Leadership, and also distribute summary reports to the administrations.

II. BACKGROUND

The Quarterly Projections will be developed by each DHMH budgetary unit to formulate and implement objective and fiscal decisions. It is a method for each program to participate in the planning of operating expenditures and to communicate expenditure decisions to all DHMH administrators.

Quarterly Projections are required to allow the Department to remain cognizant and responsive to Departmental concerns while operating within budget appropriations. The projection process is also important due to the Comptroller's Office having a cut-off policy in which expenditure requests, which are monitored through the FMIS/RSTARS system, will not be processed if they exceed appropriation by fund and program.

This version DHMH Policy 02.02.04 supersedes and replaces an earlier version DHMH Policy 02.02.04, dated April 15, 1998. The changes to this version are administrative in nature and include formatting changes and changing the office name.

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III. POLICY STATEMENTS

A. DEFINITIONS

In this policy, the following terms have the meanings indicated.

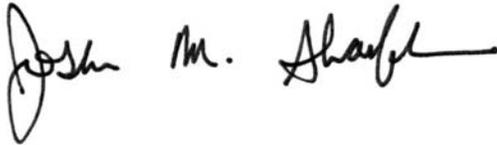
1. **"Budgetary program"** means the level within a State Agency at which specific appropriations are awarded or spending authority is provided through the State Budget. Programs are identified by a unique 8-character FMIS code (DHMH appropriation codes begin with M00), in the FMIS chart of accounts.
2. **"Departmental leadership"** refers to the DHMH Secretary and Deputy Secretaries.
3. **"EMP"** and **"Quarterly Projections"** are fiscal reports formulated by the head of each budgetary unit. The fiscal reports provide a comparison of projected fiscal year expenditures against the fiscal year appropriation. Also included in the fiscal reports, for selected programs, are key performance measures which provide a basis for projected expenditures.
4. **"Head"** of a budgetary unit means Facility Administrator, Administration Director, Deputy Secretary or other Unit authority who has direct fiscal responsibility for a budgetary unit.

B. PROJECTION REPORTS

1. The Director, Budget Revenue Administration, shall distribute to the head of each budgetary unit a set of instruction for completing a projection report.
2. Each budgetary unit shall prepare four projections of expenditures for the fiscal year. These projections shall be submitted:
 - a. Prior to the beginning of the fiscal year;
 - b. After the close of the first quarter of the fiscal year (7/1—9/30);
 - c. After the close of the second quarter of the fiscal year (10/1—12/31);
 - d. After the close of the third quarter of the fiscal year (1/1—3/31).

3. The Budget Management Office shall review the projections, prepare summary reports, and meet with Departmental Leadership to discuss approval and/or modification of the expenditure plans.
4. The Budget Management Office shall prepare budget amendments to adjust appropriations, based on information contained in the projections and decisions made by Departmental Leadership.
5. Budget Amendments must be signed by the Secretary of DHMH prior to submission to Department of Budget and Management.

APPROVED:

A handwritten signature in black ink that reads "Joshua M. Sharfstein". The signature is written in a cursive style with a long horizontal stroke at the end.

Joshua M. Sharfstein, M.D., Secretary, DHMH

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