

## BUDGET POLICY AND REPORTING MANUAL

<i>Date</i> 9/5/12	<i>Subject</i> <b>Transfer of Capital Appropriations (Interchanges)</b>	<i>Item</i> E-040
<i>Supersedes</i> 7/1/84		<i>Page</i> 1

### 1. Purpose and Scope:

- a. To identify and explain statutory authority for the transfer of Capital Projects and other funds appropriation balances; and
- b. To provide guidelines for the preparation and processing of transfer certificates in accordance with the provisions of section 93 of the State Finance Law.

### 2. Statutory Reference:

- a. Subdivision 4 of section 93 of the State Finance Law permits the transfer of funds between appropriations within the Capital Projects Fund under certain conditions.
- b. Section headings of capital projects budget bills may make the provisions of paragraphs (a) through (g) of subdivision 4 of section 93 of the State Finance Law applicable to other funds appropriated in such sections.

### 3. General Guidelines:

- a. Agency finance officers should be familiar with section 93 of the State Finance Law as well as the appropriate capital project budget bill section headings.

In general, each agency's appropriations and reappropriations have or will have the following structure or hierarchy:

- i. One or More Comprehensive Construction Program (CCP). The CCPs may or may not relate to agency programs or other organizational arrangements. Some will have broad headings such as "general maintenance and improvements" while other will correspond to specific agency programs.
- ii. Within each CCP, appropriations are grouped into one or more purposes. As in the case of CCPs, purposes may or may not relate to other agency organizational arrangements. For example, a purpose may be defined as a function (e.g., "energy conservation" or "health and safety"); an agency facility or institution; or a specific construction project at an identified location.
- iii. Each purpose contains one or more appropriations or projects. Some appropriations have "project schedules" which are listings of institutions or identified projects for which construction work will be undertaken.

## BUDGET POLICY AND REPORTING MANUAL

<i>Date</i> 9/5/12	<i>Subject</i> <b>Transfer of Capital Appropriations (Interchanges)</b>	<i>Item</i> E-040
<i>Supersedes</i> 7/1/84		<i>Page</i> 2

- b. The ability to process interchanges between items shown in a project schedule or transfers between appropriations depends on the following:
- i. All transfers or interchanges, whether between items within a "project schedule," between appropriations within the same purpose and the same CCP, or between appropriations having different purposes, in most cases will be accompanied by the certification as required by section 93 of the State Finance Law.
  - ii. Interchanges between items within a "project schedule" **do not require certification** where specific appropriation language states that "amounts shown within the schedule are estimates and are interchangeable among the various projects."
- c. The following sets forth the various interchange/transfer situations that could occur and the corresponding processes to be followed:

Question: Will the transfer be between appropriations in different CCPs?

Process: **Transfers are not permitted between different CCPs.** Section 53 of the State Finance Law will be followed for bonafide emergencies.

Question: Will the interchange be between items shown in a "project schedule"?

Process: If yes, this will be accomplished in accordance with subdivisions 4a-4f of section 93 of the State Finance Law. However, the percentage limits in 4e **are not applicable.**

Question: Will the transfer be between appropriations in the same purpose and the same CCP?

Process: If yes, the transfer will be accomplished in accordance with subdivisions 4a-4f of section 93 of the State Finance Law. However, the percentage limits in 4e **are not applicable.**

Question: Will the transfer be between appropriations in different purposes or different purpose-project appropriations?

Process: If yes, the transfer will be accomplished in accordance with subdivisions 4a-4f of section 93 of the State Finance Law. The percentage limits in 4e **are applicable.** Transfers between purposes may not be processed if the total appropriations for a specific purpose will increase or decrease by more than the following:

## BUDGET POLICY AND REPORTING MANUAL

<i>Date</i>	<i>Subject</i>	<i>Item</i>
9/5/12	<b>Transfer of Capital Appropriations (Interchanges)</b>	E-040
<i>Supersedes</i>		<i>Page</i>
7/1/84		3

Total Appropriations	Percent
1 <sup>st</sup> \$5 million	25
2 <sup>nd</sup> \$5 million	20
3 <sup>rd</sup> \$5 million	15
over \$15 million	10

Increases will be based upon the April 1 new appropriations and reappropriations unallocated balances.

Decreases will be based upon current unallocated balances (of appropriations in force or continued in force) at the time of the proposed transfer.

- d. Before an agency submits the certificates called for by subdivision 4d of section 93 of the State Finance Law, an agency must determine:
  - i. That the lowest bid received or the amount of the final estimate, including change orders, exceeds the appropriation(s) and/or the scheduled amount available for a particular project;
  - ii. That the project is necessary and urgent and cannot be deferred until the next fiscal year; and
  - iii. That surplus funds are available from one or more appropriations **continued in force for the fiscal year**. To be surplus, the following conditions must be met:
    - 1) A capital project for which funding is available will not be advanced during the fiscal year because:
      - of a shortage or unavailability of staff or material;
      - plans for the project are incomplete or require revision;
      - of excessive cost or forced delays pending completion of other work; or
      - of any combination of the above.
    - 2) A capital project can be completed or undertaken and completed for an amount less than the total amount available from an appropriation for such project.

## BUDGET POLICY AND REPORTING MANUAL

<i>Date</i> 9/5/12	<i>Subject</i> <b>Transfer of Capital Appropriations (Interchanges)</b>	<i>Item</i> E-040
<i>Supersedes</i> 7/1/84		<i>Page</i> 4

- e. Assure that the transfer will not exceed the allowable percentages for transfers **between purposes** (see page 3). To determine the total appropriations for a particular purpose, it will be necessary to:
- i. Identify **all** appropriations in force or continued in force (new appropriations and reappropriations) as of April 1.
  - ii. Determine the purpose for **each** appropriation using the capital projects budget bill.
  - iii. Determine the amount as enacted into law for each new appropriation and the unallocated balance for each reappropriation as of April 1. Summarize the amounts for each purpose. The total for each purpose will be used to calculate the allowable amount a purpose can **increase** as a result of transfers during the year.
  - iv. Determine the unallocated balances of appropriations in force for the specific purpose(s) at the point in time of a proposed transfer. These totals will be used to calculate the allowable amount a specific purpose can **decrease** as a result of the proposed transfer.