TO: Vice Presidents, Deans, Department Heads, and Directors

FROM: S. Jack Hu, Provost and Senior Vice President for Academic Affairs
Ryan Nesbit, Vice President for Finance and Administration

RE: Year-End Guidance from USG and State of Georgia

DATE: April 10, 2020

Due to the COVID-19 pandemic, we are experiencing exceptional challenges in almost every aspect of our operations. As we move through the fourth quarter of this fiscal year, the State of Georgia Office of Planning & Budget (OPB) and the University System of Georgia (USG) have released a set of Fiscal Year-End 2020 instructions that require changes to the way we typically approach the fiscal year end. Both of these memos are attached for reference, and we appreciate your partnership as we work to align our actions with this guidance.

Per these instructions, we are asking all units to optimize the availability of state funds by deferring all non-essential spending in the fourth quarter of FY 2020 until FY 2021. This would include hiring only critically essential positions as done through the Critical Hire process, continuing to limit non-essential travel, deferring non-critical equipment purchases, and deferring non-critical maintenance, renovation, or construction projects.

- While we have not been directed to reduce our budget by any specific amount, we ask that you ensure your unit’s spending during this final quarter of FY 2020 meets this expectation and plan for your unspent state funding to be used to help mitigate the significant fiscal challenges we are currently experiencing as well as those that lie ahead.

- State funding includes state appropriations, tuition, and other general funds (for example, in fund codes 10000, 10500, and 10600).

- Any planned one-time year-end expenditures for equipment or technology purchases, vehicles, contractual services, capital outlay, or other initiatives should be deferred until FY 2021. As an example, all state agency vehicle requests are currently being denied by OPB if they are not justified as an emergency, even if they meet the stated requirements for replacement.

Earlier this week, we notified your chief fiscal officers of the need to review and plan to provide justification for any FY 2019 (or earlier) purchase orders that remain open after this Thursday, April 9.

- As noted in these instructions from USG, we are also planning for a review from USG and OPB of all open purchase orders for FY 2020.
• While institutions have not yet been asked to provide justification for open FY 2020 purchase orders, we need to be prepared to answer questions that may arise as a part of this review.

Finally, as we move through this unprecedented environment, some of you have reached out to ask about Federal Coronavirus Relief Funds. We are working closely with UGA’s Office of Government Relations, the USG Office, and OPB to determine how formal requests for reimbursement should be made and how funding will be allocated and utilized. We will provide this information once received.

Thank you for your continued partnership and tremendous efforts as we move through this challenging time. Please do not hesitate to reach out to Chris Miller or James Shore with any additional questions that you might have.

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Administrative Memos are coordinated through the Office of the Senior Vice President for Academic Affairs and Provost. For more information, contact Sam Fahmy at sfahmy@uga.edu.
Dear CBOs:

Attached is the Office of Planning & Budget (OPB) annual Year-End instructions memo. These instructions are in line with the cautions we have been providing for weeks and the Critical Hire Process established in last year. Please review in its entirety and note the following additional information:

- **Year-End Expenditures:** Agencies are asked to optimize state funds lapse by deferring all non-essential spending in the fourth quarter of FY 2020 until FY 2021. Please ensure your institution’s spending during this final quarter of FY 2020 meets this expectation. Please note that OPB is now denying vehicle requests if they are not justified as an emergency, even if they meet the stated requirements for replacement. Please ensure your Fleet Managers, Budget Offices, and Department Heads receive this information.

- **Purchase Order Review:** Institutions will be required to identify purchase orders (POs) established prior to FY 2020 to determine if there is a need to keep certain POs open or if appropriate to close. We will use the same process as last year to collect this data. Brad Freeman will send GaFirst institutions’ Chief Accounting Officers the official list of open prior year purchase orders by the beginning of next week. Institutions should indicate which purchase orders may be closed and provide justification for those that should remain open. Please ensure justifications are concise yet clearly explains why a PO should remain open.

- **Spending Order Policy and Surplus Funds:** This memo section does not apply to funds that are allowed to be carried forward via legislation.

- **Federal Coronavirus Relief Funds:** This section of the memo indicates information will be forthcoming about Federal relief funds. In regards to GEMA relief funds, the USO is working with OPB to determine how formal requests for reimbursement should be made. We will provide this information once received.

Additionally, OPB asked for a list of open FY 2020 purchase orders for the entire USG. While institutions will not be asked to provide justification for open FY 2020 purchase orders at this time, institutions should be prepared to answer questions that may arise. Brad Freeman will coordinate pulling together this separate request for OPB.

Thank you for your attention to this important memo. Please don’t hesitate to contact me with any questions.

Tracey
MEMORANDUM

TO: Agency Heads and Fiscal Officers
FROM: Kelly Farr
RE: Fiscal Year 2020 Fourth Quarter Spending

April 2, 2020

Our state and national efforts to contain the spread of coronavirus are expected to result in temporary disruptions to our economic markets during these last few months of the fiscal year. OPB will be monitoring revenues closely, but it is essential that all state agencies work together to close the year in good fiscal order. We will be working with agencies to identify opportunities to maximize agency surplus in order to ensure we maintain a healthy Revenue Shortfall Reserve fund level through this temporary disruption.

Year End Expenditures

Agencies should prioritize fourth-quarter expenditures to optimize funds available for surplus at fiscal year-end. In some cases, OPB has identified planned year end spend that agencies should withhold and plan to lapse. OPB will communicate those items to you. Any planned one-time year end expenditures for equipment or technology purchases, vehicles, contractual services, capital outlay or other initiatives should be deferred until FY 2021. Agencies with one-time emergency needs should contact their OPB analyst to discuss the spending need.

Purchase Order Review

OPB and the State Accounting Office again will work with agencies to identify purchase orders (PO) established prior to FY 2020 with little to no recent activity in order to determine any need to keep certain purchase orders open, or where appropriate, to close remaining purchase orders and remit the funds to Treasury. Agencies should aggressively work to close out aging purchase orders with small amounts remaining or with older unspent funds. Such closures would not prohibit an agency from opening a new PO with the same vendor in FY 2021.

Fiscal Affairs

OPB is working with the Governor’s Office to schedule a meeting of the Fiscal Affairs Subcommittee for June. Please review the status of your budgets to determine any need for state funds transfers affecting Fiscal Year 2020 and Fiscal Year 2021. Requests for transfers should be limited to issues unforeseen during consideration of the Amended Budget and that are necessary in maintaining budgetary compliance at fiscal year-end. Please work closely with your analyst and division director to identify any potential concerns early so that we may be proactive...
in evaluating the need for Fiscal Affairs. Transfers for FY 2021 should be limited to emergency needs only. State funds transfers that are not absolutely necessary may be submitted as an Amended Fiscal Year 2021 budget request.

For your convenience, please use the enclosed forms to make your requests. Agencies requiring a transfer to be considered by the Subcommittee must submit their request to their OPB analyst by Friday, May 15.

**Spending Order Policy and Surplus Funds**

Under joint OPB-SAO policy 4-9-1, agencies must spend retained other-fund revenues in the year in which they are earned. Retained revenues not spent prior to year-end will lapse unless an agency submits a letter to OPB requesting to reserve those funds. Agencies must request to reserve any and all state and other funds that it expects to retain for use in future years, including those requested in prior fiscal years with remaining balances.

Funds appropriated in the amended appropriations act for specific initiatives should be either fully expensed or encumbered prior to year-end. *Agencies should not plan on reserving state funds they were unable to spend or encumber during the fiscal year.*

Any surplus state or other funds not previously reported in the FY 2019 Budgetary Compliance Report should be remitted to Treasury no later than June 30 using account code 390109, Adjustments to Fund Balance – Early Surplus Returned to OST. If funds are available in your allotment balance account at Treasury, agencies should use the ARIS system and click the “Return of Surplus” button to remit payment. If funds are not available in your allotment account, please contact Lisa Hoover or Donna Bowman at the Office of the State Treasurer, [accounting@treasury.ga.gov](mailto:accounting@treasury.ga.gov), to make arrangements to send the funds.

**Federal Coronavirus Relief Funds**

Congress has passed three separate measures to provide economic relief and financial assistance to governments, businesses, and individuals in responding to the spread of COVID-19. OPB is working closely with our representative organizations and federal partners to determine the allowable uses of the funds, process for disbursement, and federal auditing and reporting requirements. OPB will be reaching out to each of your agencies who may receive one of these funding streams to discuss spending plans and reporting. Please be sure to remain in close communication with your division directors as you receive further guidance from your federal partners on these additional sources of funding.

Thank you for your continued leadership and commitment to strong fiscal stewardship as we manage through this current state of emergency.

KF/sb

Cc: Lynne Riley, State Treasurer
    Alan Skelton, State Accounting Officer