I. PURPOSE

This operating procedure provides a general framework for the development and execution of operating budgets within the Department of Corrections.

II. COMPLIANCE

This operating procedure applies to all units operated by the Department of Corrections (DOC). Practices and procedures shall comply with applicable State and Federal laws and regulations, Board of Corrections policies and regulations, ACA standards, PREA standards, and DOC directives and operating procedures.

III. DEFINITIONS

Agency - Any organizational unit of the Department of Corrections which has its own unique budgetary agency code. (Example: Agency 701, 767, etc.)

Appropriation Act - An act passed by the General Assembly to appropriate the revenues of the Commonwealth for operating, capital, and debt service expenses in accordance with the Virginia State government program structure

Department of Planning and Budget (DPB) - A Virginia executive branch agency that works with the Governor's Office, the General Assembly, and other state agencies to develop and execute the Commonwealth's budget

Executive Phase - The phase of operating budget development directed by the office of the Governor, DPB and other Executive control agencies.

Executive Staff - For purposes of this operating procedure, the Director, Chief of Corrections Operations, Deputy Director for Administration, Deputy Director for Programs, Education, and Reentry, Human Resources Director, Chief Information Officer, Chief Financial Officer, and their designees charged with providing procedural direction to the Department of Corrections

Organizational Unit - A DOC operating unit, such as a correctional facility, regional office, probation and parole office, Virginia Correctional Enterprises (VCE), Academy for Staff Development, Corrections Construction Unit, Agribusiness Unit, or other separate operational unit

Organizational Unit Head - The person occupying the highest position in a DOC organizational unit

IV. PROCEDURE

A. Budget Development

1. The Department of Planning and Budget (DPB) is responsible for issuing instructions to be used by all State agencies in the development of budget submissions. Timetables and instructions may vary with each request cycle.

2. The DOC Budget Office is responsible for establishing and coordinating processes to develop
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operating budget requests and will issue timetables and instructions to all DOC Organizational Unit Heads as needed.

3. The Director is responsible for identifying the needs of the DOC and submitting a budget request as allowed by Executive Branch Leadership which adequately supports the programs of the Department of Corrections. (4-APPFS-3D-24; 2-CO-1B-02)
   a. The DOC Budget Office is responsible for recommending budget request strategies to Executive Staff, and for tracking operating budget issues during the DOC, Executive, and Legislative phases.
   b. The DOC Budget Office meets with the Director, Chief of Corrections Operations, and Deputy Director of Administration to decide which addenda will be formally submitted to the Secretary of Public Safety.
   c. The Director works with the Secretary of Public Safety in planning the final DOC budget submission. (2-CO-1B-03)
   d. After approval by the Secretary of Public Safety, budget submissions are forwarded to DPB through their Performance Budgeting System.

4. In accordance with instructions from the DOC Budget Office as required, Organizational Unit Heads are responsible for establishing and coordinating processes for staff participation to develop budget requests within their own units. (4-4028; 1-CTA-1B-03, 1-CTA-1B-04) Organizational Unit Head requests should include funds for maintaining the unit’s daily operations, financing capital projects, and supporting long-range objectives, program development, and additional staff requirements. (4-4029; 1-CTA-1B-01)

5. Budget requests which involve new construction, expansion or renovation, and which result in physical plant improvements are Capital Projects, and generally do not qualify as operating budget requests under the coordination of the DOC Budget Office. Such capital requests are developed in coordination with DOC Architecture and Engineering Services.

6. The Department’s budget requests are subject to policy guidance from Executive Staff.

B. Budget Execution

1. Based on the current Appropriations Act, the DOC Budget Office is responsible for the formulation and monitoring of annual operating budgets to ensure appropriation and anticipated revenues are sufficient to enable each DOC agency to meet its objectives, consistent with its mission and goals. (4-ACRS-7D-18; 4-APPFS-3D-21) The DOC Budget Office will issue timetables and instructions to all DOC Organizational Unit heads as needed for budget formulation and monitoring.

2. In addition to budget/expenditure reports generated monthly (4-4032; 1-CTA-1B-06), the DOC Budget Office requires periodic expenditure projections which are generated department-wide and serve as the primary tool for monitoring expenditures, identifying potential problems, and recommending corrective action as needed. (4-4035; 4-ACRS-7D-20, 4-ACRS-7D-23) Various other revenue and expenditure reports are available through the statewide CARDINAL financial system.

3. The DOC Budget Office prepares and processes all necessary operating budget adjustment transactions. All budget adjustments are subject to approval by DOC Chief Financial Officer (or designee). (4-4030; 4-APPFS-3D-21; 2-CO-1B-04)
   a. Transactions within the same fund and/or program require only DOC approval.
   b. Transactions which require realignment between funds and/or programs require approval by the Department of Planning and Budget.

4. The DOC Chief Financial Officer is responsible for the coordination of year-end fiscal closeout, and will issue guidelines and schedules to all DOC Organizational Unit Heads as needed.

5. The Director, Chief of Corrections Operations, and Deputy Director of Administration monitor and review the expenditure of DOC funds. (2-CO-1B-01)

6. DOC Organizational Unit Heads are responsible for establishing and coordinating processes to monitor
budgets within their own organizations, and to assure effective communication with Regional Operations Chiefs, Regional Administrators, and with the DOC Budget Office. (4-ACRS-7D-19; 4-APPFS-3D-22)

V. REFERENCES
   Board of Corrections Policy 10-4, Budget
   Current Appropriations Act
   Instructions from the Office of the Governor, DPB or other control agencies

VI. FORM CITATIONS
   None

VII. REVIEW DATE
   The office of primary responsibility shall review this operating procedure annually and re-write it no later than three years from the effective date.

   The office of primary responsibility reviewed this operating procedure in May 2017 and necessary changes have been made.

   Signature Copy on File 03/29/16

   N. H. Scott, Deputy Director of Administration Date