KENTUCKY CORRECTIONS Policies and Procedures	Policy Number 2.5	Total Pages 3
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Authority/References KRS 48.030; 48.050 ACA 4-4032; 2-CO-1B-01; 2-CO-1B-02; 2-CO-1B-03 P&P ACA 3D-21, 3D-22 and 3D-24	Subject BUDGET ADMINISTRATION	

I. DEFINITIONS

"Annual Budget Request" means the Agency's internal detailed budget whose limits have been pre-determined by appropriation.

"Biennial Budget Request" means a two-year budget compiled in odd numbered years and submitted to the Governor's Office for Policy and Management (GOPM) and the Legislative Research Commission and is used as a basis to formulate the Agency's biennial appropriation.

"Budget Unit Head" means that person directly responsible for the implementation of a particular budget including expenditure control of funds from an account or group of accounts comprising that budget unit.

"Central Office Budget Committee" means those central office supervisory staff directly responsible for the administration of a particular budget unit or units.

II. POLICY and PROCEDURES

The head of each budget unit shall participate in the formulation of the applicable budget. This participation shall include the following:

A. Participation in the oral and written budget deliberations conducted by the central office budget committee.

B. Oral and written presentation of annual and biennial budget requests to the Director of the Division of Administrative Services and the central office budget committee to:

1. Maintain operations;

2. Identify capital construction needs; and

3. Identify long range objectives and program development.

C. Participation in regularly scheduled budget reviews to discuss the budgetary status of each budget unit and to assess the need for budget changes.

D. Budget Submission

Each budget unit head shall compile a budget for the organizational unit in accordance with written procedures and instructions as disseminated by the Director of the Division of Administrative Services.

E. Budget Consideration and Discussion

The Director of the Division of Administrative Services shall conduct meetings with each budget head to review all projected expenditures.

F. Biennial Budget Allocation

Following appropriate deliberation of each budget request, the Director of the Division of Administrative Services, with the approval of the Commissioner of Corrections, shall allocate in detail the biennial budget request and the internal annual budget.

G. Annual Budget Allocation

The Director of the Division of Administrative Services shall make annual allocations, prior to the start of each fiscal year, of major code allotments like personnel, operating expenses and capital outlay, consistent with the Executive Budget, or as amended with the approval of the Governor's Office for Policy and Management and shall request budget unit recommendations for minor object code distribution of these major code allotments.

H. Budget Review and Revisions

1. The Director of the Division of Administrative Services and the central office budget committee shall conduct quarterly budget meetings to ascertain the status of each budget unit and to review budget projections. Minutes or a condensed summary of the meeting may be taken and distributed to those in attendance and other relevant parties.

2. The Director may, with the consent of the Commissioner of Corrections, subsequently approve budget revisions that appear to be justifiable or necessary. Major code changes shall be subject further to the approval of the Governor's Office for Policy and Management. Budget unit heads may

otherwise formally make written requests for budget revisions to the Director of the Division of Administrative Services.