

 <p style="text-align: center;"><b>KENTUCKY CORRECTIONS</b> Policies and Procedures</p>	Policy Number	Total Pages
	Date Filed	Effective Date
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	<p style="text-align: center;">2.5</p> <p style="text-align: center;">*</p>	<p style="text-align: center;">3</p> <p style="text-align: center;">April 10, 2019</p>
Subject		
<b>BUDGET ADMINISTRATION</b>		

## 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 Office of State Budget Director (OSBD) 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 budget deliberations conducted by the central office budget committee.
- B. 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.

Policy Number	Effective Date	Page
2.5	April 10, 2019	2

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 participate in compiling the biennial budget request 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. Amendments require the approval of the Department's Deputy Commissioner of Support Services, the Justice and Public Safety Cabinet's Office of Management and Administrative Services and the Office of State Budget Director.

H. Budget Review and Revisions

1. The Director of the Division of Administrative Services and the central office budget committee shall conduct 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 recommend budget revisions that appear to be justifiable or necessary. Major code changes shall be subject to the approval of the Deputy Commissioner of Support Services, the Commissioner of Corrections, the Justice and Public Safety Cabinet's Executive Director of

Policy Number	Effective Date	Page
2.5	April 10, 2019	3

the Office of Management and Administrative Services and the Office of State Budget Director.

I. Fiscal Analysis and Budgetary Impact

The Division of Administrative Services in conjunction with the Deputy Commissioner of Support Services shall complete fiscal and cost analysis for any proposed expenditures not specifically funded in a budget unit. The fiscal and cost analysis shall evaluate whether the proposed expenditures may be accommodated within the current funding of the budget unit, or, whether other funding is available in another budget unit within the Department, which may be transferred through the allotment modification process to fund the expenditure. Allotment modifications are subject to the approval of the Justice and Public Safety Cabinet's Office of Management and Administrative Services and the Office of State Budget Director.

J. Necessary Government Expense

Prior to commencement of any expenditure exceeding the appropriated budget of any unit, the Director of Administrative Services or the Deputy Commissioner of Support Services shall consult with the Justice and Public Safety Cabinet's Office of Management and Administrative Services and the Office of State Budget Director in determining whether the expenditure is eligible for Necessary Government Expense funding.