


GUAM BEHAVIORAL HEALTH AND WELLNESS CENTER		
TITLE: Budget Process	POLICY NO: AD-F-05	PAGE 1 of 4
RESPONSIBILITY: Financial Management Branch		
APPROVED BY:  DIRECTOR	EFFECTIVE: JUN 15 2017	LAST REVIEWED/REVISED:

PURPOSE:

The purpose of this policy is to outline the budgetary process of the Guam Behavioral Health & Wellness Center (GBHWC) providing a guideline to employees, thus ensuring efficiency and appropriateness.

POLICY:

- A. "As required under law (5 GCA §4103 & §4106), the Governor directs the preparation and administration of the Executive Budget for the government of Guam on an annual basis. The Executive Budget represents the Governor's financial proposal with recommended priorities for allocating resources. The budget process is important and necessary for the enactment of a budget and review of government operations".
- B. The Bureau of Budget & Management Research (BBMR) issues guidelines to all Government line agencies in the preparation and development of their respective budgets.
- C. As a line department of the Government of Guam, all budgetary transactions are executed in accordance and guided by the Bureau of Budget and Management Research (BBMR).
- D. This policy and procedure is compliant with current laws, rules, regulations or best acceptable accounting practices. In the event that any change is made, GBHWC will be guided by public notice, government circular, or Director's memorandum with immediate implementation or at prescribed time.

BUDGET PROCESS

The Budget Process occurs in four essential phases: formulation, adoption, execution, and audit.

- A. **Formulation phase:** the economic forecast and the program and financial plans are prepared for the various departments. Economic data and statistics are utilized in developing projected revenues for the upcoming fiscal year. Once revenues have been projected; a budget call is distributed to all the line agencies. This process starts when the Bureau of Budget & Management Research (BBMR) issues guidelines to each line agency in the preparation and development of their respective budgets. The formulation phase culminates in the transmittal of the Program and Financial Plan (Executive Budget) with the Governor's Budget Message to the Legislature for its consideration.
- B. **Adoption phase:** is the process in which the Legislature considers the Governor's proposal and passes the overall revenue and spending plan under a General Appropriations Bill. The Bill usually receives more detailed hearings within the auspices

of the applicable legislative committees. Usually, a series of hearings will be called during which department heads and staff members give an overview of the Governor's proposed budget and are expected to provide explanations when their department's/agency's appropriations are considered. Finally, the Legislature may pass a General Appropriations Bill. The Bill is then transmitted to the Governor for approval. Other bills to include amendments during the fiscal year may be introduced for enactment into law.

- C. **Execution phase:** involves the release of funds appropriated per the General Appropriations Act. Each department prepares allotment of appropriations and may request revisions, legislative or administrative transfers, or supplemental appropriations. BBMR must approve such revisions to allotments. The Bureau also monitors and assists agencies in carrying out the approved budget in line with the established policies of the Governor.

- D. **Audit phase:** involves the evaluation of departments/agencies to identify areas in need of improving compliance procedures with applicable laws and regulations. During the audit phase, financial transactions, accounts and reports are assessed and analyzed to improve accountability, effectiveness, and efficiency in the achievement of goals and objectives.”

PROCEDURE:

A. GBHWC Preparation and Submittal:

1. After the Budget Call from BBMR, GBHWC issues an internal call to the managers and supervisors to submit an electronic “wish list” (positions, equipment, services, etc.) for their operation during the next fiscal year.

2. The “wish lists” are gathered electronically and forwarded to the FMS for initial review and comparison of the past and current spending trends. If the analysis shows a substantial increase, the manager/supervisor may be asked to justify the “wish list”.

3. A draft budget package is prepared by the Budget Officer (an FMS delegate) and presented to the Director for review and approval. If draft budget is unacceptable, the Budget Officer will adjust according to the parameters set by the Director.

4. A final draft is prepared and re-submitted for the Director's approval.

5. The GBHWC approved budget is submitted to BBMR in the required format and attachments.

B. BBMR Review & Concurrence

1. The GBHWC proposed budget plan is reviewed by BBMR. Spending patterns and trends are analyzed, and then submitted to the respective BBMR supervisor who recommends the approval and acceptance of the GBHWC budget plan to the BBMR director. If disapproved, the GBHWC budget plan will be returned for appropriate adjustments and/or operate within a ceiling amount.

C. GBHWC 2nd and/or Subsequent Budget Re-submittals

1. The returned GBHWC budget(s) is/are adjusted in accordance with the directives from BBMR and re-presented to the GBHWC director for final review and agency approval. Thereafter, the adjusted budget plan is resubmitted to BBMR.

D. BBMR Final Acceptance and Approval

1. The re-submitted GBHWC budget plan is reviewed for compliance to the BBMR directives and submitted for the final approval by the BBMR Director to the Governor's Finance Team.
2. The budget plan will be consolidated with the other Gov. Guam departments and agencies into the Governor's Executive Budget to be submitted to the Guam Legislature.

E. Legislative Action (Guam Budget Act)

1. Once the Governor submits the Executive Plan, the appropriate legislative finance committee will review the package and conduct a public hearing at which time GBHWC is called to defend its budget plan.
2. After the hearing, the budget plan along with the public testimonies are summarized and entered into a "committee report" and transmitted out to the full legislature for voting. Thereafter, the bill will be transmitted to the Governor for passage into public law.

F. BBMR Advice to the Departments/Agencies

1. BBMR will advise all the departments/agencies that the executive budget was approved and will cite the public law. BBMR will call for the allotment schedule and thereafter will load the appropriated funds into existing respective accounts. If no account has been set up, BBMR will require GBHWC to establish a new account before the funds are loaded.
2. Allotment Schedules are prepared for certification by the Certifying Officer and approved by the Director or delegate.

G. Budget Modifications

1. The appropriated funds (budget) will be spent in accordance with the budget plan submitted to BBMR. Any adjustments to modify the budget must be submitted to BBMR and approved by the BBMR Director, the Governor and/or the Legislature wherein appropriate or mandated by law.
2. Budget modifications are prepared by the FMS staff or designees, certified and approved by the agency director for the purpose of initiating object class transfers, funds loading, account over-runs and other requirements to meet operational needs. Forms are available at the BBMR website www.bbmr.guam.gov.

H. GBHWC Budget Work Steps:

1. After the Budget Call from BBMR, financial data and other budgetary forms is provided by Administrative Assistants to the Administrative Officer/Certifying Officer or delegate.

2. On or before the submittal deadline, the proposed budget is prepared in prescribed format; hard and digital copies are made for the review of the Certifying Officer and approved by the Director, and transmitted to BBMR.
 3. Administrative Assistant(s) may be assigned to assist in the preparation of department's budget.
 4. Allotment Schedules are prepared for certification by the Certifying Officer and approved by the Director.
 5. Budget Modifications are prepared to initiate object class transfer, funds loading, account over-runs and other requirements.
- I. Reports and Audits**
1. GBHWC financial information is gathered and posted into the DOA Financial Management System (AS400), analyzed and made available for audits and required reports to the governor, legislature, and federal/local grant funders.
- J. Fixed Assets**
1. All major equipment with a depreciable life of ____ years are tagged and entered into the Fixed Assets Register. Equipments are surveyed for replacement or disposal in accordance with guidelines set forth by the Department of Administration Fixed Asset section. The Fixed Asset register is used for annual budgetary purposes.

RELATED POLICY (IES):

SUPERSEDES: Title; Policy No.; Effective Date/signature date; Approving individual's name

ATTACHMENT(S):

**GUAM BEHAVIORAL HEALTH AND WELLNESS CENTER
REVIEW AND ENDORSEMENT CERTIFICATION**

The signatories on this document acknowledge that they have reviewed and approved the following:

Policies and Procedure

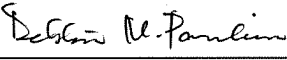
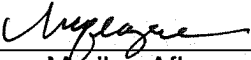
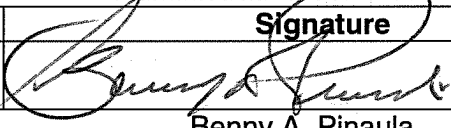
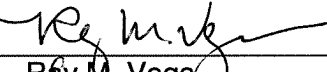
Submitted by: Finance Department

Protocol/Form

Policy No: AD-F-05

Bylaws

Title: Budget Process

Reviewed/Endorsed	Date	Signature
	6/15/17	
Title	Name Title Debbie Paulino Administrative Officer	
Reviewed/Endorsed	Date	Signature
	JUN 15 2017	
Title	Name Title Marilyn Aflague Administrative Services Officer	
Reviewed/Endorsed	Date	Signature
	JUN 15 2017	
Title	Name Title Benny A. Pinula Deputy Director	
Reviewed/Endorsed	Date	Signature
	JUN 15 2017	
Title	Name Title Ray M. Vega Director	