

Chapter 5

Budget Implementation

The capital budget is enacted after the House and Senate pass an agreed-to budget and the Governor signs it. For more information, see [A Guide to the Washington State Budget Process](#).

Once the budget is enacted, agencies must follow a process before spending their appropriation. This chapter outlines the steps for agencies to expend funds, beginning with OFM assigning an Expenditure Authority (EA) code.

5.1 ALLOTMENTS

After the EA code is assigned, agencies must submit allotments for expenditures, revenues, and FTEs. The Budget, Accounting, and Reporting System Act ([Chapter 43.88 RCW](#)) outlines the legal authority and responsibility of the Governor and OFM to allot public funds. OFM publishes allotment instructions that describe the agency's responsibilities and requirements for submitting initial allotments, amended allotments, and special allotments to detail the plan of expenditures, revenue estimates, and related FTE estimates of enacted budgets. (Visit OFM's website for the allotment instructions after the 2017-19 budget is enacted.)

Agencies must use TALS-AMR (The Allotment Management and Review System) for submitting allotments to OFM. No expenditures may be incurred prior to OFM approval of allotments.

5.2 MINOR WORKS LISTS

Savings from a minor works project may be transferred to another minor works project for which the project budget allocation is insufficient, or to fund an alternate minor works project within the list. Agency requested revisions to the minor works project lists must be submitted to OFM, House Capital Budget Committee, and Senate Ways and Means Committee for review and comment.

Minor works lists submittal must include:

- Parent project number and project title,
- Minor works projects and budget estimates,
- Explanation of variances from the enacted capital budget minor works lists, and
- Alternate minor works projects, if applicable.

No expenditures may be incurred prior to OFM's written approval of the updated minor works lists and allotment schedule. Minor works projects must be completed within the biennium in which they were appropriated. Minor works appropriations are not automatically reappropriated.

5.3 MAJOR PROJECT STATUS AND FINAL CLOSE-OUT REPORTS

Agencies administering a major capital project or projects specifically identified for reporting requirements by OFM, as required by [RCW 43.88.160](#), must submit a Major Project Status Report to OFM each July 1 and December 31.

After a major project is completed, an agency must also submit a Major Project Final Close-out Report to OFM. Agencies must report project savings following the completion of projects to OFM.

Agencies must use the [report template](#) posted on OFM's website. Contact an OFM [capital budget analyst](#) with any questions.

Subject to certain restrictions, the Governor, through OFM, may transfer project savings to another project for which the appropriation is insufficient ([RCW 43.88.145](#)). An agency may request such a transfer by submitting a letter to OFM. No expenditures may be incurred prior to OFM approval of the transfer request and allotment schedule.

5.4 LIFE CYCLE COST ANALYSIS AND LIFE CYCLE COST TOOL

These life cycle cost analysis tools use a Washington-specific discount rate to estimate the present value of future costs. This rate is updated annually and is identified in both Excel workbooks available on OFM's website.

During Predesign

For predesign projects, agencies must use OFM's [life cycle cost analysis \(LCCA\) model](#) to compare the long-term costs of project alternatives ([RCW 39.35B.050](#)). This tool evaluates the tradeoff over time from increased capital investment in the purchase and/or construction of facilities. Please refer to the predesign manual.

The model and instructions are located at <http://www.ofm.wa.gov/budget/facilities/costanalysis.asp>.

During Design, Construction, and Project Close

After a project enters the design phase, agencies must use OFM's [life cycle cost tool \(LCCT\)](#) to demonstrate how the building design contributes to energy efficiency and conservation. The LCCT is required for facilities with an area of 5,000 square feet or greater ([Executive Order 13-03](#)). The LCCT evaluates the tradeoff over time from increased initial capital investment in high performance energy system components that may include (but are not limited to) the building envelope, HVAC system, water-using fixtures, and/or lighting. OFM will not allot construction funds until the analysis is completed.

The tool, instructions, and training webinars are located at <http://ofm.wa.gov/budget/forms.asp>.

5.5 BOND FUND CASH FLOW PLANS

The Office of the State Treasurer conducts a regular survey to collect updated information on agency cash flow needs. This assists in planning future bond sales. Some agencies, as requested, must complete and return the Bond Fund Cash Flow Estimates form, Expected Use of Proceeds form, and any supporting materials to the State Treasurer by the due date.