

**STATE OF MISSISSIPPI  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

TOPIC	BUDGETS	SUB-SECTION 05.20.20
SECTION	BUDGET PROCESS	ISSUANCE DATE MARCH 31, 2000
SUB-SECTION	BUDGET MODIFICATIONS	REVISED - 2018

**BUDGET MODIFICATIONS**

The state budget for the fiscal year is based on estimated revenues, total funds for each agency, and estimated agency budget consumption. Once the original budget has been established, changes in any of these factors can result in a need for budget modifications.

Agencies may receive additional funds not included in the agency's appropriated amounts and need additional budget authority to expend the funds. These additional funds may become available in the form of additional federal funds received, endowments or donations made, or when additional laws or appropriations are passed.

The Governor, DFA, and LBO receive monthly reports from the MS Department of Revenue regarding revenue collections compared to estimated revenue collections. If collections lag significantly behind estimated revenue amounts, the Governor based on statutory authority may implement budget reductions to allow the state to operate within revised estimates of available funding.

Additionally, consumption of state budget is monitored by the state budget offices and state agencies. It may be determined that based on actual funds availability and budget consumption that changes need to be made between Funds, Commitment Items, and /or Allotment Periods.

Some state agencies have appropriation bills that include more than one Appropriation Unit. These agencies are represented in MAGIC by one assigned Business Area but multiple Appropriation Units. These 6 digit Functional Area identify the appropriated amounts for each appropriation unit. The first 4 digits identify the Business Area and the last 2 digits identify the Appropriation Unit.

When budget modifications affect the state level budget, the agency budget officer will create an electronic budget document in MAGIC with Z2 and / or Z1 budget entries to implement the changes. OBFM has established standard budget modification request forms that must be submitted and approved by OBFM for any budget modifications that affect the state level budget. The forms are accessible on the OBFM website at: <http://www.dfa.ms.gov/dfa-offices/budget-and-fund-management/>. The forms should be downloaded, completed and attached to the agency's MAGIC budget modification documents along with any other required documentation. Standard budget modification forms include: Transfers, Escalations of 100% Federal Funds, Escalations of 100% Nonfederal Funds and Transfers Between Functional Areas.

The agency's request for budget transfers and modifications within the state level budget must be reviewed and approved by the agency's designated OBFM budget analyst and the OBFM Director or designee. Budget documents submitted without the required budget modification form or other required supporting documents will be rejected.

Budget modifications that affect only the agency level budget are made in MAGIC and are approved internally by designated agency approvers. *Agency level budget modifications should not be sent to OBFM for approval.* Budget documents with entries involving Fund Centers with more than 4 digits or Functional Areas with more than 6 digits will be rejected by OBFM. Agencies are responsible for verifying that agency level totals by Fund and Commitment Item agree with state level budget totals after any modifications are made. There is no limit to the number of times an agency can request a budget modification of any type.