

Section 3

Technical Instructions: Building Your Budget in BFM

Building Your Budget in BFM

This section provides a general overview of how to budget in BFM, the City’s new budgeting software. CBO provided in-person trainings on how to use the new system in early December 2019. Online trainings are available for you to access at any time on CBO’s website under [BFM Training and Resources](#). CBO will continue to add to this library, and we welcome feedback on what additional trainings would be useful for end users.

To help ease the transition to the new budget system, we recreated many of the legacy budget system (BRASS) reports, spreadsheet views, and advance spreadsheet views as reports in BFM as well as others that facilitate new processes or improvements based on bureau feedback, we even kept the same naming conventions! You are encouraged to contact your CBO analyst for additional technical assistance or with procedural questions.

Data Uploaded from SAP

All master data – funds, fund centers, functional areas, funded programs, grants, and commitment items – originates in SAP and are uploaded regularly to BFM. The bureau will need to make any changes to master data elements in SAP before they will be reflected in BFM.

In FY 2020-21, we understand that bureaus may want to make changes to their budget structure – particularly functional areas – in the continued transition to program offers. We anticipated that this would be a multi-year process, and expect bureaus to make refinements in FY 2020-21. Please see our guide on [“Using functional areas in the FY 2020-21 process”](#) for additional information.

CBO will upload master data from SAP into BFM on the following dates:

- December 5 & 12, 2019
- January 2, 9, 16, and 23, 2020



When requests are submitted to accounting for new master data, it takes approximately one week before the new elements are complete and then available for upload to BFM.

When requests are submitted to accounting for changes to master data, this can take longer because the changes should go through a review process with CBO and accounting that could lead to an expanded time line. If the bureau knows that they expect to make changes to existing master data, please submit these requests as early as possible.

BFM will be updated with the newest payroll information on January 3, 2020; there will not be any additional updates through the end of the budget process.

Current Appropriation Level (CAL) Targets

The City Budget Office determines CAL targets for all bureaus and services that receive General Fund discretionary and overhead resources. The targets are based on a calculation beginning with the previous year’s Adopted Budget plus necessary inflation and other Council directed adjustments.

- Inflation factors (see budget assumptions section above) are determined by the City Economist.
- Each bureau will receive its full share of COLA from the previous year in its CAL target for the budget year, regardless of the amount of COLA received in the previous year's spring BMP. The CAL target only covers the proportion of COLA that is funded with General Fund discretionary and overhead resources. COLA for the budget year is included in the Compensation Set-Aside (see cost of living adjustments section below).
- CAL targets also allow an average percentage increase in the personnel services budgets to deal with step increases. This increase is called a drift factor. The drift factor accounts for the impact of step increases as well as the savings from labor turnover; new employees are usually paid at a lower rate than departing employees.
- The historical average drift has been about 0.5% per year. There are two limitations on that average figure.
 1. It applies most accurately to bureaus with large numbers of employees.
 2. For any given small bureau or work group, there may be a disproportionate percentage of employees receiving step increases, and the actual drift may be higher than 0.5%.

Starting Point (Base) Budget

BFM is populated with personnel services data derived from the City HR system (SAP), OMF interagency agreements, and General Fund discretionary and overhead targets.

Personnel services: Costs for existing positions (full-time, part-time, and limited term) and benefits are estimated by BFM's PCF module. This information is based on payroll data from the SAP Human Capital Management module. The PCF data includes information about positions, current employees, and vacant positions.

CBO will upload the initial SAP data November 8th, 2019 and the final paycheck of the calendar year into BFM on January 3rd, 2020. **Future changes related to employees made in BFM will be saved and applied to the January 3, 2020 load.** Bureaus will have until close of business on January 6th to notify their CBO analyst if there are positions missing from the base budget. CBO analysts will review the information and work with the system administrator to manually add missing positions. This should only be done for extenuating circumstances that prevented the bureau from meeting the deadlines established by HR.

January 7th, the base budget will be frozen, and the system will be moved forward to the requested phase and bureaus can begin to develop their requested budgets. After this, CBO will not upload any further paycheck data to ensure that bureaus are able to build and make changes to the allocation in time to submit their requested budgets.

PCF makes the following base budget assumptions:

- A normal progression of step increases for represented positions (where applicable);
- There is no assumed merit increase for non-represented employees;
- No step increases are assumed for represented vacant positions, which cost out at Step 1 of the range, and non-rep vacant positions are projected at mid-range;

- As with filled positions, expected cost of living adjustments and health benefit increases are not included in PCF costs.

[See the Overview section for more key information about accounting for wage increases.](#)

OMF internal materials and services: Initial cost estimates for interagency service agreements for services provided by OMF internal service providers will be loaded from files provided by OMF. This information is based on current inventory or service levels, and rates for the new fiscal year. Data for the following OMF internal service providers will be preloaded into bureaus’ starting point budgets:

- Bureau of Technology Services
- CityFleet
- Debt Management
- Facilities
- Printing and Distribution
- Risk Management (Workers’ Compensation / Insurance & Claims)

General Fund discretionary and overhead revenues: CBO will preload all General Fund discretionary and overhead revenues into a single fund center in each bureau. Bureaus are responsible for reallocating these revenues (if they wish) to various fund centers, functional areas, projects, etc. Please remember to reduce the discretionary and overhead amounts in the preloaded fund center if you reallocate these resources.

Note: In FY 2020-21, bureaus may want to start thinking about how revenues should be allocated to align with Program Offers. Currently, it is not required that functional areas balance by revenues and expenditures, and this will continue to be the case in FY 2020-21. However, bureaus should anticipate starting in FY 2021-22 to produce balanced Program Offers, which would require that revenues and expenditures balance at the 6 character functional area level.

How to Make Changes within the Base Budget

With the transition to BFM and Program Offers, there are several changes from prior years:

- Bureaus can make changes within their base budget allocation using the technical adjustment form. This includes reallocating resources between fund centers, functional areas, and major object categories, including creating new positions. Bureaus should note any significant changes to a program’s base budget within the “Changes to Services” section within the Program Offer narrative.
- Each bureau has one single technical adjustment for their entire base budget.
- Changes to existing employee allocations and assumptions should be made through the PCF module (Employee Maintenance). If bureaus do not make allocations in PCF, program offer reports will not accurately reflect correct FTE.

The sum of a bureau’s starting point budget, PCF adjustments, technical adjustments, capital adjustments, and decision packages become a bureau’s Requested Budget. You can view a summary level of each of these changes in the Budget Tracking report, which replicates the previous Budget Tracking spreadsheet view from BRASS.

Making Personnel and Staffing Changes

Bureaus can adjust personnel costs in BFM through a number of methods. Personnel costs are largely changed through PCF in employee maintenance or in a decision package. Please refer to the [Personnel Budgeting appendix](#) for details.

Cost of living adjustments (COLA)

COLA refers to both a percentage increase in salary level and a projected increase in health benefit costs. General Fund and non-General Fund bureaus estimate and budget for COLA differently.

General Fund bureaus: The City Budget Office calculates and budgets COLA for General Fund discretionary backed personnel services expenses and appropriates the aggregate amount into the Compensation Set-Aside Special Appropriation. General Fund bureaus that have personnel services expenses backed by other revenue sources should enter estimates for COLA in your bureau's technical adjustment form using the Expected CPI-W for COLA (wage and salary) and the Health & Dental Increases rates in the Budget Assumptions section. These estimates should be budgeted in personnel service's commitment item.

COLA appropriation and determination:

- The Compensation Set-Aside amount for each bureau is calculated using the 20239 Projection in PCF. The 20239 Projection includes cost of living adjustments and projected health benefit rates for the budget year. The difference between the 20239 Projection and the V51_Base snapshot is then multiplied by the percent discretionary within that bureau (total ongoing discretionary divided by total revenues from current year Adopted Budget). The result is what is included for the bureau's Compensation Set-Aside amount for the budget year.
- As part of the Spring BMP process each year, CBO recommends what additional appropriation, if any, is needed by General Fund bureaus, to adjust for COLA. As needed, appropriation is transferred to the bureaus from the Compensation Set-Aside. Until that transfer is made, General Fund bureaus' projected spending may be projected to exceed their personnel services budget by a small percentage.

Non-General Fund bureaus: Non-General Fund bureaus may enter estimates for COLA in a technical adjustment form using the Expected CPI-W for COLA (wage and salary) and the Health & Dental Increases rates in the Budget Assumptions section. COLA for non-General Fund bureaus should be budgeted in commitment item 571110 - salary adjustment contingency. Bureaus may also use the 20239 Projection in PCF to assist in its projections for these costs. Report C1 displays what personnel costs are currently projected, what the costs would be with COLA, and the last column displays the difference. Note- this report will not show any personnel costs input in a technical adjustment form.

How to Budget Revenues and Expenses

With the exception of entering data into decision packages, bureaus should make all other changes to revenue and expense commitment items using the technical adjustment or project forms. These entries include:

- Personnel services expenses not calculated by PCF (overtime and some premium pay), including merit pay for non-represented employees
- External materials and services
- Bureau-to-bureau interagencies and cash transfers
- Capital outlay
- Fund-level activities (debt service, contingency, ending fund balance)
- Revenues

Technical Adjustment Forms

The Technical Adjustment form in BFM is similar to the Technical Adjustment form in BRASS. In this form, you will build all base revenues and expenditures, with the exception of the following:

- Existing staff costs (automatically imported through PCF, with the exception of merit)
- Capital and operating project costs (input in the Project Form)
- Requests for allocations above base budget (input in the Decision Package form resulting from a Direction to Develop)

A single technical adjustment form has been populated for your bureau, and you will have access to this when you log in to BFM. With the exception of OMF, bureaus will only have one form to input all data. Multiple users can be in and editing the form at one time.

The form in BFM has been pre-loaded with prior and current year data. CBO also previously provided your bureau with a “template” that would allow you to construct your budget offline and import this data into BFM after go-live. Please see the [uPerform module](#) for how to edit the data using either option. Like the Technical Adjustment form in BRASS, you should enter the changes to each line to populate the FY 2020-21 Base Request.

Two important things to remember:

- **Deleting master data:** In BFM, lines with master data cannot be deleted from the form. Instead, zero out the dollar amounts if that line is no longer applicable (i.e. you do not want to have any dollar amounts budgeted in that particular fund, fund center, functional area, and commitment item).
- **Funded program codes:** In BRASS, the “funded program” field in master data was used for transfer codes, project codes, and interagency agreement codes. In BFM, project codes have their own master data field, and budget data for projects should be entered in the Project Form described below. The “funded program” field in the Technical Adjustment form should **only** be populated with transfer codes or interagency agreement codes if applicable.

How to Budget Interagency Agreements and Cash Transfers

Service provider: The service provider is the agency that receives payment in exchange for services and/or goods provided.

Service receiver: The service receiver is the agency that buys a service and/or goods from another agency.

Interagency Commitment Items and Funded Programs

Each interagency type has a specific set of commitment items and a specific funded program structure. **The providers and receivers use the same funded program for both the expense and revenue side of the transaction.** For interagency funded programs (those starting with a 3 or 7), please only assign the funded program to the commitment item lines related to the interagency (commitment items starting with a 65 or 64).

It used to be the case in BRASS that interagency agreement funded program could conflict with the funded program for individual capital or operating projects. This is no longer the case. In BFM, there is now a column to input a project code in addition to a column for the funded program. In cases where an interagency agreement supports a particular project, both the interagency agreement funded program and the project code fields should be completed.

Bureau-to-Bureau interagencies: use funded programs that begin with the number 7, followed by the 2-character provider code, the number 2, the 2-character receiver code, and ending with '0001' (e.g. 7WA2ES0001). Bureau-to-Bureau interagencies use commitment items starting with '652' on the receiver side and '642' on the provider side.

Internal Service interagencies: use funded programs that begin with the number 3, followed by the 4-character provider code, the number 2, the 2-character receiver code, and ending with '01' (e.g. 3MFTS2WA01). Internal Service interagencies use commitment items starting with '651' on the receiver side and '641' on the provider side. The first four characters of an internal service commitment item also identifies the provider:

6511 – CityFleet Services

6512 – Printing and Distribution Services

6513 – Facilities Services

6515 – Technology Services

6516 – Risk Management Services (Workers' Comp / Insurance & Claims)

Cash Transfer Commitment Items and Funded Programs

Cash transfers use funded programs that begin with the number 1, followed by the 4-character code for the fund transferring the cash, the number 2, and ending with the 4-character alpha code for the fund receiving the cash (e.g. 1GENF2TRAN).

- Cash transfers use commitment items 650010 and 640010 for General Fund Overhead transfers, and 650020 and 640020 for all other cash transfers. The '65' commitment

items are used by the fund transferring the cash and the '64' commitment items are used by the fund receiving the cash.

- Note: Capital project funded programs cannot be used to balance cash transfers.

Before budgeting or expensing cash transfers to or from a bureau residing in the General Fund, please contact your CBO analyst. Cash transfers are treated differently depending on whether they transfer General Fund discretionary resources or not.

- Transfers out of the General Fund, if backed by discretionary, will either be sent from MFFM000004, or directly from the bureau, depending on the circumstances.
- If the transfer is backed by external bureau revenues, then it can be transferred directly from the bureau's fund center.
- Similarly, any cash transfer into the General Fund needs to be identified in advance to determine the source of the funds. Depending on the source, the cash transfer may be sent to MFFM000002 (with an equivalent increase in contingency or the bureau's discretionary resources) or it may be sent directly to the bureau's fund center.

Cash transfers may not be used:

- To carry over General Fund resources (discretionary or not) outside of the normal General Fund carryover process
- To pre-fund projects outside of the General Fund. Bureaus should set up interagencies with the bureau providing the services and transfer funds on a reimbursement basis. If the project crosses fiscal years, any remaining funds at the end of the year will fall to General Fund balance or can be requested as General Fund carryover in the Spring BMP.

Changing interagency and cash transfer agreements in BFM

Interagencies and cash transfers can be adjusted via technical adjustment forms in BFM. Communication between the service providers and receivers concerning the funded programs and commitment items used, and the amount of the agreement, is essential. Both service receivers and providers should monitor changes to interagencies and cash transfers using BFM Interagencies reports (i.e. IA- Internal Service Agreement and Cash Transfers reports). Information on internal service rates and charges can be found in "links" dropdown menu in BFM, on [OMF's website](#), or by contacting OMF-Business Operations.

Balancing interagency and cash transfer agreements

All base budget interagencies and cash transfers should be balanced by the deadlines stated in the Important Events and Dates section above. If the partner and receiver bureaus are unable to come to agreement on the amount of the interagency or transfer, CBO will remove both sides of the transaction from BFM. To check your base budget interagencies, run the BFM IA- Internal Service Agreement report. In some cases, decision packages will increase or decrease interagency amounts on the provider or receiver side. These adjustments are not required to be in balance until the Proposed Budget. However, please notify your CBO analyst prior to submission.

Project Forms

The Project Form should be used to budget all revenues and expenditures related to capital and operating projects, with the exception of any costs associated with decision packages.

- Bureaus will budget five years of project budget data through bulk data imports (i.e. multiple projects can be budgeted in a single form), project information stored in SAP will be automatically pulled into BFM, and bureaus will be expected to provide the same type of information as in prior years.
- When budgeting revenues and costs for a project, if a bureau chooses to also budget to an interagency, it is necessary to communicate with the other bureau so both sides of the transaction use the same project code and funded program.

How to Budget Capital Projects

The City of Portland's five-year Capital Improvement Plan (CIP) budget implements the City's policy of preserving its current physical assets and planning for future capital investments. The CIP budget provides details on City projects which support and enhance the delivery of basic services and infrastructure improvements. These projects reflect the bureaus' prioritization of capital replacement and enhancement projects, estimates of project costs, and identification of funding sources.

The CIP is designed to recognize the balance between the City's capital requirements and its ability to fund such requirements. It includes both short-term capital financial planning for the upcoming budget cycle and long-term capital financial planning encompassing a five-year horizon. The capital budget addresses:

- Expansion of economic activity and development
- Maintenance of existing infrastructure
- Response to community needs for capital services

Providing Project Information

Unlike most other forms in BFM – you will be providing project qualitative information in a separate location from the budget data.

All expenses and revenues related to projects are entered in the project form. **This form is largely the same as the capital form in BRASS with two exceptions:**

- Project and Funded Program are now two distinct columns so that bureaus can track expenses related to interagency agreements in a more detailed manner
 - In order for data to upload correctly to SAP, bureaus **must** make sure that all IAs are balanced by project. While BFM allows for detailed planning, SAP still has a single column for funded program. Thus, CBO must re-combine the budget data to a single column in order to upload the budget from BFM to SAP.
 - If there is a cash transfer code and a project code, the cash transfer is used as funded program
 - If there is an IA and a project code, the project code is used as funded program

- If there is *only* a cash transfer, IA, or project code then the budget is uploaded using the identified data as the funded program
- Out-year operations and maintenance are now entered on the project form using the following new “fake” commitment items: 563ONG & 5631TM.

In addition to BFM entries, bureaus need to maintain accurate and timely capital project data within www.Portlandmaps.com. Project updates should be completed on at least a quarterly basis. Special attention should be given to the project status and estimated completion date.

Step-by-step directions for entering required information is available in [uPerform](#) under Project Budget and Project Info. The definitions of required fields are as follows:

Attributes Tab	
Description	Populated by user in BFM. Includes the narrative used to describe the project for reporting and budget document publishing. Narrative for existing projects (used in the budget last year) should already be populated and edited for content and grammatical errors. If the project is new, the description field needs to be populated with a description of the project.
Revenue Source(s)	This was previously included as a last line of the project description. Moving forward this will be called out separately. All capital projects are required to identify the revenue source(s) in the available text box. The general public may not understand the mix of resources that bureaus use to fund projects. Some infrastructure bureaus have significant external revenues sources that drive what is included in the CIP. Identifying the revenue source(s) will help the community understand why specific projects are included in the CIP and others are excluded.
Description Tab	
Pub Name	Populated by user in BFM and is the name used in the budget document. Please enter a readable name that you wish to be displayed in the budget document. This field will not be overwritten with SAP data.
Original Cost	Includes the amount entered in the total project cost field in the first year the project was appropriated or had actuals. This amount will be frozen in the system until the project is no longer included in the CIP. The amount can only be changed by CBO.

\$ for Green	Populated by user in BFM. Identifies the dollar amount that is going towards green streets.
CGIS Project #	This is space for bureaus to input CGIS codes at their discretion
Project Total	Populated by user in BFM. Identifies the full cost of the project, including life-to-date expenses as well as expenses expected beyond the five years captured in BFM (printed as Total Project Cost in budget document). Unlike the original project cost field, this field can and should be continually updated throughout the life of the project.
\$ for Art	Populated by user in BFM. Identifies the dollar amount that is going to art, per Title 5 of City Code. These amounts are included in the Budget Overview section of the budget document.
Groups Tab	
Publish	Populated by users in BFM. All projects with budget or actuals in the current year (but not in the budget year of the five-year plan) should be set to “No”
New Project	All new projects in the CIP need to be flagged as ‘New’. The definition of a ‘New’ project is one which was not published in the previous year’s Adopted Budget CIP (printed in budget document)
Confidence	All projects that are set to publish in the CIP are required to submit a confidence level pertaining to the budget amount of the project (printed in budget document). See the confidence level table below for definitions of the levels

Users are encouraged to run the Capital Projects QC report to identify which projects are missing important narrative information. This report can be found in BFM Reporting → Budget Development → Capital Projects QC.

Definition of Capital

A capital asset is a tangible or intangible asset having significant value that is used in operations and has an initial useful life that benefits more than a single CAFR reporting period. Capital assets include land, land improvements, buildings, infrastructure, leasehold improvements, equipment, software, and construction in progress. Definitions for these categories are included in the glossary at the end of this manual. Asset capitalization thresholds have been established as follows:

- Land and Buildings – none
- Improvements – \$10,000

- Infrastructure – \$10,000
- Leasehold Improvements – \$10,000
- Equipment – \$5,000
- Computer Software Developed or Obtained for Internal Use – \$5,000

City Assets

The CIP will reflect the projects involving either existing City assets or projects that result in City assets. Projects that are located in the City but are not either an existing or future City asset should not be included. If there is any question as to whether a project should be included in the CIP, please contact your CBO analyst.

Project Threshold

All capital projects that have a total project cost of \$500,000 or greater are required to be budgeted individually in BFM (i.e. they must have a distinct capital project funded program). The intent of the threshold is to break up project ‘roll-ups’ that currently group projects into single large expenditures that are not easily understood by the public. Significant individual projects need to have distinct descriptions and budgets to allow for a more informative budget document. Bureaus that already budget at a lower threshold should maintain their current level of budgeting. An exemption is given to “ongoing” or “programmatic” projects as defined by the bureaus and approved by CBO.

Confidence Level Reporting

Confidence levels are captured in BFM (see above) and displayed in the capital project detail pages of the Requested and Adopted Budget documents. Confidence levels are defined as follows, per [ADM 1.13](#):

<u>Confidence Level</u>	<u>Definition</u>
Complete	<ul style="list-style-type: none"> • Final payment made • Post project assessment completed • Total project costs reported
Optimal	<ul style="list-style-type: none"> • Project scope clearly understood & well defined • Clear understanding of materials, size & quantities needed for job • Schedule & site conditions understood • Project estimate unlikely to change (generally at 90% design) • Total project contingencies range between 10% to 15%
High	<ul style="list-style-type: none"> • Project scope nearly complete but still subject to change (70% to 90% design) • Materials, size & quantities defined but subject to minor changes • Schedule understood

	<ul style="list-style-type: none"> • Total project contingencies may range between 20% to 30%
Moderate	<ul style="list-style-type: none"> • Project scope defined but lacks details • Project specifications incomplete (60% to 70% design) • Total project contingencies may range between 30% to 40%
Low	<ul style="list-style-type: none"> • Project scope is a conceptual “vision” with limited detail • Project cost is an educated estimate - limited technical information available • Specifications still in infancy stage (less than 50% design) • Total project contingencies may range up to or exceed 50%

Percent for Art Eligibility Form

[Percent for Art eligibility forms](#) for each capital project will be submitted at the same time as a bureau’s Requested Budget submission, but they will no longer be sent to CBO. OMF now has a City Arts Manager, Giyen Kim. Bureaus should email Percent for Art Eligibility Forms to Giyen.Kim@portlandoregon.gov. The forms still are available on the CBO website, and will be reviewed by the City Arts Manager for accuracy and then forwarded to the Regional Arts and Culture Council (RACC).

How to Allocate Internal Bureau Overhead

The treatment of *indirect* administrative costs poses a challenge in program offer budgeting. Due to past practice and specific circumstances, there are likely to be inconsistencies in how bureaus budget administrative costs. It is expected that it will take several budget cycles to reach consistency in how these costs are budgeted.

In deciding how and where to allocate an indirect/administrative cost to a program, bureaus should consider these questions whether allocating this administrative cost be useful in understanding both (1) what type of resources support the program and (2) how much resource is necessary for service provision. For full recommended details, please refer to the Budgeting [Administrative Costs in Program Offers](#) guidance on CBO’s website.

With the implementation of SAP, multiple cost allocation commitment items were created to allow bureaus to move overhead costs around within their bureau at a more generic level. For example, a bureau may want to allocate expenses related to the Director’s Office across all programs. Allocation commitment items allow the bureau to capture the total costs (personnel services, materials & services, etc.) of the Director’s Office in one fund center, but also allocate the costs using debit and credit entries in an allocation commitment item. The example below moves the costs in the Director’s Office to Customer Services using the bureau overhead account.

	Director's Office	Customer Services
Personnel Services (511100)	\$30,000	\$0
External M&S (549000)	\$10,000	\$0
Bureau Overhead (601020)	(\$40,000)	\$40,000
Total	\$0	\$40,000

Bureaus are free to allocate costs using any of the commitment items below:

- 601XXX – Overhead Allocations (rolls up to internal M&S)
- 610XXX and 619XXX – Labor Allocations (rolls up to personnel services)
- 620XXX – Equipment Allocations (rolls up to internal M&S)
- 629XXX – Bureau Services Allocations (rolls up to internal M&S)

Bureaus should note that, because these accounts roll up to Internal Materials & Services, allocating costs within the bureau and across funds, fund centers or programs, there are situations when the total for internal materials and services will show negative for that cost object.

How to Budget Grants

The Grants Fund serves as the central fund for all federal, state, and private financial assistance received by the City, including grants, contracts, and cooperative agreements. The City also receives funds from two federal entitlement programs, HOME and the Community Development Block Grant (CDBG), which are budgeted in separate funds. All grant revenues and expenses are tracked in the Grant Funds (sub-funds) or these entitlement grant funds. Grant match is budgeted in the bureaus operating fund, not in the Grants Fund.

According to Local Budget Law, a grant should be budgeted if the award can be reasonably estimated prior to approval of the budget. City practice requires receipt of a letter indicating the grant will be awarded, or an actual grant award and acceptance by Council, prior to inclusion in the bureau’s budget.

Typically grants are awarded to the City in the middle of the fiscal year. When the City receives a grant award mid-year, the bureau will complete an ordinance to accept the grant and amend the current year budget. There is a directive in the ordinance that breaks down the cost objects for budgeting. After the ordinance is passed by Council, the Grants Office will input the budget in SAP. If a grant crosses multiple fiscal years, the Grants Management Division will work with the bureau to decide on the amount of funding to be budgeted in the current fiscal year.

Bureaus should determine if they have active grants that will carry forward into the new fiscal year. The information can be obtained by contacting the Grants Management Division and requesting a list of grants and balances or by running the Business Objects Available Grant Funds Report. The Available Grant Funds Report will provide the current balance remaining on

the grant and bureaus should project the expense for the remainder of the fiscal year and budget the balance remaining. All grants that cross fiscal years should be included in the Adopted Budget.

New in BFM, there is a dedicated “Sponsored Program” master data field that should be populated for each budget line that includes a grant cost. This information is required by the Grants Management Division; please contact the GMD or your bureau grant analyst(s) if you need any assistance in obtaining the correct Sponsored Program code or have questions about the Sponsored Program master data in SAP.

Grant Definitions

Intergovernmental grant: Generic term that means financial assistance received from either state or federal sources. The definition of “Federal Financial Assistance” taken from the Code of Federal Regulations as follows:

Federal Financial Assistance means assistance that non-Federal entities receive or administer in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food commodities and other financial assistance. Federal financial assistance also includes assistance that non-Federal entities receive or administer in the form of loans, loan guarantees, interest subsidies and insurance.

Grant Award: The amount of financial assistance received from outside sources. Some grants require that grant funds be matched proportionately by non-grant funds or that the grantee participate in the cost of the project. For example, a bureau enters into a grant agreement to refurbish a community park and will receive a \$100,000 federal grant to do so, but it must provide a 1:1 or 50% match. Therefore, the bureau would need to spend a total of \$200,000 to receive reimbursement from the grantor agency of \$100,000.

- **Cash match:** The term “cash match” is used to denote any match requirement that involves cash outlay, e.g., the City pays the program manager’s salary and benefits, and any materials and services required to accomplish the project. In this case, money is changing hands in that the City is paying for these expenditures.
- **In-kind:** The term “in-kind” is used for third-party non-cash contributions, e.g., donated telephones, office space, volunteer time that is not reimbursed or any situation where no money changes hands. As a rule of thumb, if an actual cash outlay is required (e.g., the City pays salary and materials and services) the match is not considered in-kind.

Direct reimbursement: The amount of financial assistance that the City expects to receive to cover direct project costs.

Federal indirect reimbursement: The amount of financial assistance that the City expects to receive to cover non-program related centralized services. The City Budget Office develops a Federal Indirect Cost Allocation Plan each year that determines the percentage rate each bureau may charge for indirect on federally assisted grants, contracts, or other agreements with parties external to the bureau (including other bureaus as part of an interagency arrangement).

In January, the City Budget Office will provide bureaus with their base rates. These rates reflect the base amounts, as categorized by functional areas within SAP, in addition to General Fund overhead costs. Bureaus will be asked to review these rates and complete a worksheet for all adjustments.

CBO will prepare an indirect cost rate proposal on behalf of the City. However, a formal, federal review of a bureaus indirect rates will only be conducted if a bureau receives over \$35 million in federal grant awards, per Title 2 of the Code of Federal Regulations Part 200 (2 CFR 200). If this threshold is not exceeded, the City will not submit the proposal for review, but rather, retain the proper documentation in case it is ever requested.

CBO will continue to coordinate the process and prepare the documentation for the rate proposal; however, bureaus are now asked to complete the certification form, which indicates that the indirect rates were developed according to the federal guidelines. This form should be signed by your bureau's finance manager or bureau director.

Please contact Jess Eden with any questions.

Decision Package entry in BFM

Detailed directions for how to complete a decision package in BFM is available on [uPerform](#). Unlike in BRASS, there is only one form with different tabs that will be completed for each decision package.

Header Tab

You will be asked to:

- Provide a description of the package.
- Articulate the expected service impacts of the package;
- Analyze the equity impacts of the package; and
- Indicate whether or not this package represents a new activity.

Please address the following as applicable:

Problem statement: What is the problem being addressed? What is the “business case” for addressing this problem?

Explanation of costs & service delivery: Please describe the service delivery model, including organizational structures, FTE, budget information, and performance measures.

Impact: What are the expected results/outcomes of the request? Please refer to impact on performance measures and KPMs as appropriate, as well as identify equity implications: which populations will be impacted, in what ways, and how will you know? (For more detailed questions, please see the [FY 2020-21 Budget Equity Tool](#).)

Assumptions: What are the assumptions and estimates used in describing the expected results/outcomes?

Measuring outcomes: Does the bureau(s) have a system in place to track and report on the expected results?

Alternatives: What other solutions and funding models were considered? What are the consequences if funding is not approved? Would the bureau(s) prioritize funding for this work within existing resources?

Regional perspective: If this is a new project/program, has this been implemented by other local or regional agencies? What were the results?

Position Wizard

The Position Wizard will walk you through the process of adding new positions. Please review the [uPerform tutorial](#) for a step-by-step guide.

Budget Tab

Budget data lines are entered in the budget tab in BFM. The tab includes the option to identify one-time, ongoing, and estimated out-year costs for each budget line. Key changes include:

- When adding new master data elements, you can search either by code or by name to find the correct items.
- Budget lines with the same master data – the same fund, fund center, functional area, funded program, project code, and grant – will sum together when saving even if you add lines separately.
- BFM has a reference table for functional areas that are part of the overhead model. When budgeting in the General Fund, the table will automatically apply the overhead commitment item when you hit the “calc” button.

Attachments Tab

Users can upload attachments to accompany decision packages. This is a great way to proactively share additional data, charts, images, or other background documents. Please note that this should *not* be used as a substitute for the narrative provided on the Header tab, but only to provide supplemental information. These attachments are not printable. Bureaus should note that any information included in the Attachments tab will not publish in the requested or adopted budgets; this function should be used to archive relevant information and share information with your CBO analyst.

Equity Form Entry

The form is relatively new and there is not currently a uPerform available; however, this form functions very similarly to the Program Offer Description form. The Equity Form has text boxes for end users to enter narrative information and assign any performance measures for the bureau that directly speak to equity.

Users will create a single form for the entire bureau,² except for the Office of Management and Finance (OMF).

Header Tab

On the header tab, bureaus will provide the following information:

- **Requested Budget and Racial Equity Plan Update** ~ Question 1
 - How does the Requested Budget advance the achievement of equity goals as outlined in the bureau's Racial Equity Plan? Bureaus are required to specifically note the ways the Requested Budget benefits or negatively impacts Indigenous people, Black people, immigrants and refugees, and people of color.
- **Requested Budget Community Engagement** ~ Question 2
 - Describe how the bureau engaged with communities to develop the requested budget, particularly with Indigenous people, Black people, people of color, immigrants and refugees, multilingual, multicultural communities, and people with disabilities.
- **Base Budget Constraints** ~ Question 3
 - What insufficiencies in the base budget inhibit the bureau's achievement of equity or the goals outlined in the Racial Equity Plan?
- **Notable Changes** ~ Question 4
 - The bureau is required to describe notable changes to bureau wide equity efforts, mandated or otherwise, that are new for the upcoming budget year. Please note how the bureau plans to operationalize the new initiative and collect relevant data.
- **Link to the Bureau's Racial Equity Plan**
- **Name and Contact Phone for the Equity Manager**

Equitable Engagement

On the equitable engagement tab, bureaus will provide the following information:

- **ADA Title II Transition Plan (if applicable)** ~ Question 6
 - Describe the plan.
- **Accommodations** ~ Question 7
 - Detail allocations in the bureau's budget meant to address the requirements of ADA (Americans with Disabilities Act) Title II and Civil Rights Title VI.
- **Hiring, Retention, & Employment Outreach** ~ Question 10
 - Describe how the bureau supports employee equity in hiring, retention, and inclusion, particularly for Indigenous people, Black people, immigrants and refugees, people of color, and people with disabilities.
- **Capital Assets & Intergenerational Equity** ~ Question 8

² OMF should create a new form for each Division and the form [Division] Budget Equity Tool

- Describe how the bureau manages capital assets with respect to intergenerational equity. Detail how the assets are maintained so as to NOT place financial burdens on future generations.
- **Contracting Opportunities** ~ Question 11
 - If applicable, describe specific efforts to create contracting opportunities for disadvantaged, minority, women, and emerging small businesses.
- **Equity Manager Role in Budget Development** ~ Question 5
 - If the bureau has dedicated equity staff, describe the ways that person is involved in budget development and monitoring.

Service Outcomes & Data

On the service outcomes & data tab, bureaus will provide the following information:

- **Data Tracking Methodology** ~ Question 9
 - Describe how the bureau uses quantitative data that are disaggregated by demographics, to track program access and service outcomes for different populations.
 - Include all data sources.
- **Relevant Performance Measures** ~ New ~
 - If the bureau is currently tracking performance measures that directly speak to equity, they can be attached by assigning the performance measure to the form.

Attachments

If the bureau would like to attach additional documentation, please use this tab.

How to Request Funding from Capital Set-Aside

For the past several years, the City Budget Office has used the Capital Set-Aside validation tool to evaluate, compare, and prioritize asset needs across bureaus and asset types. For FY 2020-21, the General Fund capital set-aside process has shifted away from this tool. CBO has been working in partnership with the City’s asset managers to develop a methodology and new tool that shifts away from a risk x likelihood framework and toward a business case evaluation approach.

Like previous years, bureaus that wish to request funds from the capital set-aside as part of the budget process should complete the following steps:

1. Bureaus can submit any number of projects up to \$8M total (no limit to the number of projects)
2. Complete a decision package form for each request that is titled using the naming convention “Bureau Name Capital Set Aside Request”, e.g. TR Capital Set Aside Request.
3. Submit the [Benefit Cost Analysis tool](#) (BCA tool) and [Project Summary Form](#) with budget submissions on January 29, 2020 to Shannon Fairchild at Shannon.Fairchild@portlandoregon.gov

Bureaus with a large number of projects may wish to group requests or want more than one decision packages to request capital set aside funding. Bureaus that need guidance or assistance with the BCA tool should contact **Shannon Fairchild** directly.