

## Fiscal Spending Plans (FMC 1.2 – January 1, 2022)

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**Section 1 – Definition of a Spending Plan:** A Fiscal Spending Plan (Spending Plan) is a documented plan specific to each State agency that reflects funding amounts allotted by the State Budget Agency (SBA) for expenditure and funding amounts held in reserve. The Spending Plan is to include an explanation of the fiscal policies and administrative actions that will be taken by the State agency in order to operate within those allotted funds. A Spending Plan should be considered a dynamic fiscal management planning tool for the purpose of executing budgets.

**Section 2 – Requirement for a Spending Plan:** State agencies shall complete a Spending Plan for each required fund using the enterprise application prescribed by SBA. A "required fund" is defined as one for which SBA determines, in consultation with the State agency, that a Spending Plan must be submitted.

The requirement for an appropriation "Reserve" will be announced by SBA during the process of establishing allotments for the next fiscal year and is to be reflected in the Spending Plan.

**Section 3 – Submitting a Spending Plan:** A State agency's Spending Plan should be submitted in the prescribed application. Monthly expenditure estimates are to be entered for each fund. The application's analytics pulls in actual general ledger expenditures by fund at the close of each month, which allows agencies to easily compare planned spending to actual spending. Monthly, as opposed to quarterly, analysis offers more frequent financial updates to statewide decision-makers.

**Section 4 – Review and Approval of a Spending Plan:** A required Spending Plan must be submitted to SBA for review and approval. Fiscal year allotments or transfers could be delayed for funds which lack an approved Spending Plan. The SBA assigned budget analyst will review the Spending Plan and discuss any necessary adjustments with the State agency fiscal contact.

**Section 5 – Spending Plan Adjustments:** A State agency must work with their budget analyst prior to adjusting and resubmitting Spending Plans. Adjustments may be approved to the extent the timing of expenditures changes or if allotments have or will change throughout the fiscal year.

**Section 6 – Monitoring a Spending Plan:** A Spending Plan is a management planning tool used to monitor the fiscal status of a program for budgeting purposes. A State agency should strive to keep its Spending Plan in sync with fund allotments. This will aid in the management and fiscal control of budgets. State agencies are encouraged to compare actual expenditures throughout the fiscal year against the Spending Plan and make necessary management, policy, and administrative adjustments.



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