

LEGAL BASIS FOR BUDGETARY CONTROL**6503**

(Revised 09/10)

The following summaries are intended to serve as a guide to the applicable laws affecting budgetary control. Read the law, not the summary, for an accurate and complete understanding.

1. Government Code provisions relating to fiscal year budgets:

Section 13070: Gives the Finance general powers of supervision over all matters concerning the financial and business policies of the state.

Section 13310: States that Finance sets statewide fiscal and accounting policies and procedures, and provides adequate fiscal and accounting training, advice, and consulting services to any state agency that is authorized or required to handle public money or its equivalent.

Section 13320: Every agency and court for which an appropriation has been made is required to submit an operating budget for the fiscal year.

Section 13321: Prescribes that the operating budget documents display allotments of appropriations or other funds by quarter or other period of time and by organization unit. Authorizes Finance to require a state agency or court to set aside a reserve for contingencies or other purposes in an amount as specified by Finance.

Section 13322: Authorizes Finance to amend, alter, or revise any budget until enactment of the Budget.

Section 13324: Fixes liability of persons, both personally and on official bond, who incur expenditures in excess of budget.

Section 13326: Requires every state agency to submit requests for federal funds through Finance, for advanced approval before such requests are submitted to the Federal Government, except as specified in SAM Section 0912. Authorizes Finance to approve, disapprove, modify, or amend any request before it is submitted to the Federal Government.

Section 13335: Requires Finance to develop, issue, and implement consistent and adequate guidelines to be utilized by departments to submit budgets.

Section 13337: Provides that the Governor's Budget shall be prepared in accordance with guidelines and instructions adopted by Finance.

Section 19818.12: Position establishment subject to budgetary authorization and availability of funds.

2. Control Sections of the Budget Act:

A number of sections of the Budget Act impose limitations on expenditures, extend periods of availability of appropriations, authorize specific adjustments, authorize exceptions, and require reports to the Legislature. As appropriate, Budget Letters are issued to inform departments of long-standing or new or revised sections.

Departmental budget staff should be familiar with all the sections in the Budget Act. The Budget Act includes an index of the sections and provides a short description of the subject matter.