

## **SAM - BUDGETING**

### **BUDGET TREATMENT OF LEASE-REVENUE DEBT SERVICE PAYMENTS 6888** (New 5/1998)

The STO prepares a schedule annually of debt service payments for all programs with outstanding issuances. STO works with client departments and DOF to estimate debt service for any new programs (or additional issuances for existing programs) for the budget year. This information, in addition to administrative and insurance costs, is used to prepare the *Governor's Budget* and the debt service payment items in the budget bill for lease-revenue projects.

Prior to budgeting annual debt service items, DOF reviews lease-revenue bond accounts to determine whether surplus bond funds are available (in advance of project completion) to schedule as reimbursements towards debt service, thereby reducing the net cost of the appropriation. The client department is required to maintain a forecast of project cash flow needs and budget requirements to assist in these tasks.