

# **BUREAU OF FINANCE AND MANAGEMENT**

The Bureau of Finance and Management (BFM) is a staff agency in the South Dakota Department of Executive Management that is headed by the Governor. Other agencies in the Department of Executive Management include the Governor's Office, Lt. Governor's Office, Office of Tribal Government Relations, Office of Economic Development, Bureau of Administration, Bureau of Information and Telecommunication, and Bureau of Personnel.

The general purpose of the BFM, as described in South Dakota Codified Law, is to "...promote economy and efficiency in the fiscal management of the state government". The functions performed by bureau staff fall into four categories--budget analysis, executive management finance office, financial compliance, and financial systems.

## **BUDGET ANALYSIS**

South Dakota state government has an executive budget process whereby all agencies of state government submit their annual budget requests to the Bureau of Finance and Management. The bureau assists the Governor in developing the Governor's Budget Book that contains the Governor's recommendations to the legislature for funding all state government programs for the next fiscal year.

## **EXECUTIVE MANAGEMENT FINANCE OFFICE**

The Executive Management Finance Office provides annual budget preparation and financial accounting for the BFM, Bureau of Administration, Bureau of Information and Telecommunications, and Bureau of Personnel. The financial accounting output is used for completion of the Comprehensive Annual Financial Report and assurance of compliance with OMB Circular A-87.

## **FINANCIAL COMPLIANCE**

The BFM Financial Compliance Division is primarily responsible for advising South Dakota state agencies on compliance issues in the areas of generally-accepted accounting principles, payroll, statewide cost allocation procedures, and the U.S. Treasury—state agreement pertaining to the Cash Management Improvement Act. The U.S. Treasury—state agreement is between the state of South Dakota, BFM, and the United States Treasury Financial Service and outlines procedures for drawing federal funds for grants that are subject to the agreement. In addition, the BFM Financial Compliance Division is also responsible for reconciling "pooled and restricted cash" on the state's accounting system, computing (for all state government funds) the allocated investment proration amounts due to each fund annually, maintaining and monitoring the Cash Management Improvement Agreement by ensuring development of clearance patterns for federal grants, preparing the South Dakota Statewide Cost Allocation Plan annually, and preparing the South Dakota Comprehensive Annual Financial Report annually.

## **FINANCIAL SYSTEMS**

The BFM Financial Systems Division is responsible for the operation, development, and user education of statewide financial systems for South Dakota. This includes the state purchasing system, accounts payable, general ledger, inventory, fixed asset, central payroll, budget, and the financial decision support system.