



STATE OF WASHINGTON  
DEPARTMENT OF CORRECTIONS

APPLICABILITY  
**DEPARTMENT WIDE**

REVISION DATE  
2/1/15

PAGE NUMBER  
1 of 5

NUMBER  
**DOC 200.060**

**POLICY**

TITLE  
**STRATEGIC PLANNING AND FINANCIAL  
MANAGEMENT**

**REVIEW/REVISION HISTORY:**

Effective: 8/7/00  
 Revised: 12/27/06  
 Revised: 1/6/09  
 Revised: 11/8/10  
 Revised: 2/1/15

**SUMMARY OF REVISION/REVIEW:**


I.A. and II.A. - Adjusted to reflect current organizational structure  
 Removed I.A.1. as unnecessary  
 Section II. - Removed unnecessary language  
 III.A.2. & 3. and IV.F. - Added clarifying language  
 III.A.6. - Adjusted that a supplemental budget will be developed each year, and removed restriction on new proposals  
 Added III.A.7. that the Budget Office will develop a 10 year capital budget plan  
 IV.E. - Adjusted components of monthly budget review

**APPROVED:**

Signature on file

\_\_\_\_\_  
**BERNARD WARNER**, Secretary  
 Department of Corrections

12/19/14  
 \_\_\_\_\_  
 Date Signed

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## REFERENCES:


DOC 100.100 is hereby incorporated into this policy; [RCW 43.88](#); [ACA 4-4025](#); [ACA 4-4028](#); [ACA 4-4029](#); [ACA 4-4030](#); [ACA 4-4031](#); [ACA 4-4035](#); [ACA 4-4036](#); [ACA 7D-16](#); [ACA 7D-18](#); [ACA 7D-19](#); [ACA 7D-20](#); [ACA 7D-22](#); [ACA 7D-23](#); [ACA 7D-24](#); [State Administrative and Accounting Manual \(SAAM\)](#)

## POLICY:

- I. The Department will identify its mission and establish goals, objectives, and strategies for achieving desirable results, reviewed at least annually, and updated as needed. The objectives and strategies will be expressed to the extent practical in outcome based, objective, and measurable form. Performance measures will be developed and used to measure progress toward desired results.
- II. [4-4030] [7D-18] The Department will maintain an effective and detailed budgeting, accounting, and reporting system for all budget activities including, but not limited to:
  - A. Budget preparation and revision,
  - B. Allotments (i.e., the parts of an appropriation which may be expended or against which obligations may be incurred during a specific period),
  - C. Fiscal notes (i.e., analyses of the fiscal impact of proposed legislation),
  - D. Expenditure monitoring (i.e., the periodic review of expenditures to ensure compliance with law, budget/allotments, and Department policy), [4-4028]
  - E. Salary projections, and
  - F. Legislative tracking.
- III. [7D-18] The budget request (i.e., a proposed budget request submitted by a state agency to the Washington State Office of Financial Management (OFM), and by the Governor to the legislature) will be prepared in conformance with generally accepted accounting principles applicable to state government and Washington State OFM requirements.

## DIRECTIVE:

- I. Strategic Planning
  - A. The Department's Performance team will obtain input from Department employees and collaboratively prepare a draft Strategic Plan. The Strategic Plan will be approved by the Secretary, Deputy Secretary, and Chief of Staff.

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Strategic Plans will be completed per the instructions and schedule established by the Governor.

II. Strategic Plan Review

- A. The Department's Performance team will facilitate and document the annual review of the Department's Strategic Plan.
- B. The Department will publish the updated Strategic Plan at least biennially.

III. [7D-18] Operating Budget Preparation and Revisions

- A. The Secretary will set priorities before developing the biennial budget. The Budget Office will compile the biennial budget request in each even numbered year, according to the Secretary's priorities and based on input from supervisors and managers, including Superintendents and Field Administrators. [4-4028] [4-4029] [7D-19] The Budget Office will:
  1. Send a memo detailing the budget development and criteria for the budget to the Executive staff, Deputy Directors, Senior Administrators, Superintendents, and Field Administrators.
  2. Ensure Executive Leadership Team members submit a DOC 03-485 Biennial Budget Request for each budget request. Each proposal must be approved by the Deputy Secretary, Chief of Staff, or appropriate Assistant Secretary before being submitted to the Budget Director.
  3. Coordinate a process to review and select budget proposals based on the Secretary's priorities and OFM requirements.
  4. Create decision packages, consistent with OFM submittal requirements, with input from Department managers and subject matter experts.
  5. Develop documents and spreadsheets required in the budget submittal, including fund analysis, revenue reports, and cash balance reports.
  6. [4-4030] Develop and submit a supplemental budget request each year. The supplemental budget request will include updates and adjustments to the biennial budget.
  7. Develop a 10 year capital budget plan that details statewide facility preservation and project needs.
- B. The Budget Office will submit a budget request to OFM in accordance with deadlines each year.

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1. The Budget Office will provide justification to support the budget request to OFM, legislative staff, and others.
2. The Secretary/designee will participate in legislative budget hearings as requested by OFM and the Legislature.

#### IV. Expenditure Monitoring

- A. The Organizational Manager will designate an Operational Leader for each division/budget to develop expenditure plans.
- B. Allotments will be developed according to each budget's level of authorized resources and adjusted for reductions needed to keep planned spending within appropriated levels. Each Operational Leader will develop a detailed expenditure plan in coordination with his/her assigned budget representative. This plan will be the Operational Leader's allotment/budget.
- C. Supervisors and managers are expected to operate their unit within the financial limitations of the approved allotment. [4-4035] Executives are responsible for fiscal management and control of budget resources. [4-4025] [7D-16] [7D-23]
- D. [4-4035] [7D-23] The Budget Office is responsible for the timely availability of accurate monthly financial data and for making monthly financial reports available for Executives and Department business employees. The Agency Financial Reporting System (AFRS) is the official Department financial system and any monthly reports will be generated from this system. [7D-20]
- E. [4-4035] [7D-23] Operational Leaders are responsible for reviewing their budget status with their budget representative at least monthly, to include:
  1. Reviewing expenditures against planned spending/budget,
  2. Identifying areas that are over or under budget,
  3. Researching and discussing significant over or under budget conditions,
  4. Developing plans to correct the budget variance, and
  5. Discussing financial issues affecting budget status.
- F. The expenditure plan may need revision to ensure compliance with Department expenditure limits by fund, program, and fiscal year. These revisions may require some units to reduce or eliminate planned expenditures.

#### V. Collection and Disbursement of Monies

- A. [4-4031] Policy, procedures, and practice for the collection, safeguarding, and disbursement of monies will comply with procedures established by OFM, Department policies, and developed standard processes. [7D-22]

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VI. Financial Audit

- A. The State Auditor’s Office conducts an annual audit of the Department of Corrections. [4-4036] [7D-23] [7D-24]

**DEFINITIONS:**

The following words/terms are important to this policy and are defined in the glossary section of the Policy Manual: Budget, Strategic Plan, and Supplemental Budget. Other words/terms appearing in this policy may also be defined in the glossary.

**ATTACHMENTS:**

None

**DOC FORMS:**

[DOC 03-485 Biennial Budget Request](#)