



Minnesota Management & Budget Statewide Operating Policy

Minnesota Management and Budget, Budget Division
Issued: November 8, 2013

Number 0204-01
Revised:

Program Structure

Objective

The program structure provides the basis for the Biennial Budget presentation of an agency. Program codes are used to define an agency's program structure, which will often be different than an agency's organizational structure. This program code structure permits functional reporting from the accounting system and the budget system on a basis that does not depend on how an agency may choose to organize. Program coding is used to report expenditure and revenue information to the Legislature during budget review.

Policy

There are 2 elements that comprise the main components of program structure:

Program Code

The program code identifies the key services and outcomes produced by the agency. The definition of a program should not reflect administrative mechanisms, or the way an agency is organized. Programs should represent major, distinct divisions of an agency's mission. Programs may be differentiated by orientation to specific client groups, major business functions, or by major state policy objectives. Each program is usually identified separately in the Governor's budget with separate description and financial information pages. Here is an example from Minnesota Management and Budget's program structure:

- G10 G1001 Statewide Services.
- G10 G1002 Statewide Insurance Programs

Budget Activity Code (BACT):

The budget activity code (BACT) represents specific choices of service delivery, in support of a single program's goals. A budget activity should be differentiated by identifiably distinct service delivery strategies related to the program. Below is an example from MMB's program structure:

- G10 G1001, Statewide Services G100101, Accounting Services
- G10 G1001, Statewide Services G100102, Budget Services

Agencies are required to include program coding on all appropriation ID's. These codes will be validated by the system to ensure that the code values entered with the transactions match codes authorized by the agency to represent their budget format. Budget activity code (BACT) represents specific choices of service delivery, in support of a single program's goals. A budget activity should be differentiated by identifiably distinct service delivery strategies related to the program.

Definitions

Program Code identifies the key services and outcomes produced by the agency. Programs should represent major, distinct divisions of an agency's mission. Programs may be differentiated by orientation to specific client groups, major business functions, or by major state policy objectives. Each program is usually identified separately in the Governor's budget with separate description and financial information pages.

Budget activity code (BACT) represents specific choices of service delivery, in support of a single program's goals. A budget activity should be differentiated by identifiably distinct service delivery strategies related to the program.

See also

[MMB Statewide Operating Policy 0301-01 Establishing Budgets](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-3/0301-01-establishing-budgets-policy.pdf) (http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-3/0301-01-establishing-budgets-policy.pdf)

Biennial Budget Instructions - issued by the Budget Services Division.