Deficit Provision Acknowledgment Form  
(Appendix A of DPB’s New Year Start-up instructions)

Section A (for all agencies)

Agency Acknowledgement

I have received, read, and understand your instructions regarding indebtedness of state agencies as they relate to the requirements of § 4-3.01 of the current Appropriation Act.

Agency Name Virginia Polytechnic and State University  
Agency Code 208

Other agencies in the Act (if any) for which your agency is responsible:  
Virginia Cooperative Extension and Agricultural Experiment Station (Agency 229)

Agency/Cabinet Head Name Timothy D. Sands  
Agency/Cabinet Head Signature _______________________________________________  
(Personal signature is required above and cannot be delegated)

Date__________________

Section B (if applicable to your agency)

Supervisory Board (see §2.2-2100 of the Code of Virginia for what constitutes a “supervisory board”)

I have provided each member of the supervisory board of this agency with a copy of the notice in this memorandum and I will provide the same material to those appointed to the board in the future.

__________________________________________________  
(Personal Signature of Agency Head)

Date: _____________________________________

E-mail to:
Digitally sign or scan the signed original; Save as a PDF, and Email to budget@dpb.virginia.gov.  
NOTE: Provide your agency name and agency number as well as the phrase “Deficit Provision Acknowledgment Form” in the subject line of the email.
§ 4-3.01 DEFICITS

a. GENERAL:

1. Except as provided in this section no state agency shall incur a deficit. No state agency receiving general fund appropriations under the provisions of this act shall obligate or expend moneys in excess of its general fund appropriations, nor shall it obligate or expend moneys in excess of nongeneral fund revenues that are collected and appropriated.

2. The Governor is authorized to approve deficit funding for a state agency under the following conditions:

   a) an unanticipated federal or judicial mandate has been imposed,

   b) insufficient moneys are available in the first year of the biennium for start-up of General Assembly-approved action, or

   c) delay pending action by the General Assembly at its next legislative session will result in the curtailment of services required by statute or those required by federal mandate or will produce a threat to life, safety, health or property.

   d) Such approval by the Governor shall be in writing under the conditions described in § 4-3.02 a Authorized Deficit Loans of this act and shall be promptly communicated to the Chairmen of the House Appropriations and Senate Finance Committees within five calendar days of deficit approval.

3. Deficits shall not be authorized for capital projects.

4. The Department of Transportation may obligate funds in excess of the current biennium appropriation for projects of a capital nature not covered by § 4-4.00 Capital Projects, of this act provided such projects a) are delineated in the Virginia Transportation Six-Year Improvement Program, as approved by the Commonwealth
Transportation Board; and b) have sufficient cash allocated to each such project to
cover projected costs in each year of the Program; and provided that c) sufficient
revenues are projected to meet all cash obligations for such projects as well as all other
commitments and appropriations approved by the General Assembly in the biennial
budget.

b. UNAUTHORIZED DEFICITS: If any agency contravenes any of the prohibitions
stated above, thereby incurring an unauthorized deficit, the Governor is hereby directed
to withhold approval of such excess obligation or expenditure. Further, there shall be
no reimbursement of said excess, nor shall there be any liability or obligation upon the
state to make any appropriation hereafter to meet such unauthorized deficit. Further,
those members of the governing board of any such agency who shall have voted
therefor, or its head if there be no governing board, making any such excess obligation
or expenditure shall be personally liable for the full amount of such unauthorized deficit
and, at the discretion of the Governor, shall be deemed guilty of neglect of official duty
and be subject to removal therefor. Further, the State Comptroller is hereby directed
to make public any such unauthorized deficit, and the Director, Department of Planning
and Budget, is hereby directed to set out such unauthorized deficits in the next biennium
budget. In addition, the Governor is directed to bring this provision of this act to the
attention of the members of the governing board of each state agency, or its head if
there be no governing board, within two weeks of the date that this act becomes
effective. The governing board or the agency head shall execute and return to the
Governor a signed acknowledgment of such notification.

c. TOTAL AUTHORIZED DEFICITS: The amount which the Governor may authorize,
under the provisions of this section during the current biennium, to be expended from
loans repayable out of the general fund of the state treasury, for all state agencies, or
other agencies combined, in excess of general fund appropriations for the current
biennium, shall not exceed one and one-half percent (1 1/2%) of the revenues collected
and paid into the general fund of the state treasury as defined in § 4-2.02 b. of this act
during the last year of the previous biennium and the first year of the current biennium.

d. The Governor shall report any such authorized and unauthorized deficits to the
Chairmen of the House Appropriations and Senate Finance Committees within five
calendar days of deficit approval. By August 15 of each year, the Governor shall provide
a comprehensive report to the Chairmen of the House Appropriations and Senate
Finance Committees detailing all such deficits.