



# District Expendable Budget CBE Goal-Setting Process

The Certified Business Enterprise (CBE) annual spending goal-setting process has five stages between approximately July 1 and November 1 each year. The Department of Small and Local Business Development (DSLBD) manages this process in partnership with the Office of the Chief Financial Officer (OCFO) and approximately 88 District agencies who are required to spend half of their annual expendable budgets on CBEs.

## 1. Budget Cycle Start | Data Transmission from Chief Financial Officer

Congress approves the District of Columbia budget annually, typically by July 1. The OCFO then prepares the full budget for the agencies—including Operating, Capital, and Specialty Funds—by Comptroller Object Class Codes. The OCFO transmits the full budget to DSLBD, shared from the OCFO SOAR (System of Accounting and Reporting) database to the DSLBD CBE Compliance Reporting Beta database.

## 2. Automatic Exclusions | Restricted Funds and Fixed-Costs Excluded

Pursuant to 27 DCMR 830.1, upon receipt DSLBD automatically excludes Personnel, Operating, Fixed-Costs (i.e. utilities and rent) and Restricted Federal Payments (i.e. highway funds) from each agencies' expendable budget.

## 3. Gross Expendable Budget Estimate | Half of the Budget Less Exclusions

DSLBD then calculates an estimated expendable budget for each agency by August 1, sixty days prior to the start of the Fiscal Year (FY). The expendable budget estimate is an agency's total budget, minus the exclusions, divided in half. This preliminary expendable budget is the initial goal for agency procurement from CBEs.

$(\text{Total Agency Budget} - \text{Automatic Exclusions}) / 2 = \text{Estimated Gross Expendable Budget}$

## 4. Special Exceptions | Allowances for Specialized Spending

DSLBD opens the Special Exceptions process. The estimated gross expendable budget is finalized in the CBE Compliance Reporting database, and agencies are required to review and submit requests by October 1, request exceptions for one of five justifications pursuant to 27 DCMR 830.1.

DSLBD reviews and approves or denies requests for procurement if: (1) no small business can perform the work, (2) the work is proprietary, (3) the line item is for specialized government services, (4) there are federal or other restrictions on the funds, or (5) there are requirements for the work to be completed by a non-CBE, such as for existing multi-year contracts.

Requests are reviewed internally and approved the DSLBD Executive, and DSLBD updates the agency expendable budget less any approved exceptions. Denied requests may be appealed directly to the Mayor until November 1.

## **5. CBE Spending Goal Finalization & Tracking | Expendable Budget Monitoring**

Within the CBE Compliance Reporting Beta database, DSLBD monitors agency targets throughout the FY. The final expendable budget is set and an allocation letter is sent to each agency upon final approval of the Agency Director. Noncompliance with agency spending goals is reported to the City Administrator.

# Compliance Special Exceptions Workflow Process

