

**SAM—FISCAL AFFAIRS**  
**ALLOTMENT—EXPENDITURE ACCOUNTING**

**CONTINUING APPROPRIATIONS**

**8382**

(Revised 2/99)

Continuing appropriations are available for encumbrance during more than one fiscal year (typically capital outlay appropriations). For the first year of availability, departments will record the entire appropriation in the allotment columns of the allotment expenditure ledger. At the beginning of each subsequent year that the appropriation is available for encumbrance, departments will:

1. Record the previous year's ending unencumbered balance as the new allotment,
2. Reverse the previous year's accrued expenditures and accrued accounts payable entry, and
3. Record amounts for encumbrance and reserve for encumbrance equal to the accrued expenditures as illustrated in SAM Section 10609.

The reversal of prior year accruals will create a negative balance (credit) in the expenditure columns in the allotment expenditure ledger. This negative expenditure balance will equal the unliquidated encumbrance total. This procedure will also make the beginning unencumbered balance equal to the previous year's ending unencumbered balance.

The preceding allotment expenditure procedures will:

1. Make the expenditures in the allotment expenditure agree with expenditures in the general ledger, and
2. Provide a record of transactions by fiscal year.

During the last year that a continuing appropriation is available for encumbrance, the accounts and transactions will be treated the same as a one-year appropriation.