Chapter 8300 - Fiscal Affairs - Allotment - Expenditure Accounting

8300 GENERAL
(Revised 3/87)

Allotment-expenditure accounting procedures provide fiscal control by presenting information regarding the status of the plan of operation. This information is available from the Allotment-Expenditure Ledger, which shows for each allotment: (1) the amount allotted, (2) unliquidated encumbrances, (3) expenditures, and (4) the unencumbered balance.

The Allotment-Expenditure Ledger is subsidiary to the following General Ledger Accounts: (1) Account No. 6150, Encumbrances; (2) Account No. 9000, Appropriation Expenditures (or other appropriate expenditure account); and (3) Account No. 8100, Reimbursements. The Allotment-Expenditure Ledger is reconcilable to the State Controller's appropriation and executive order accounts.

8301 ALLOTMENT-EXPENDITURE ACCOUNTS
(Revised 3/87)

Allotment-expenditure accounts ordinarily will be maintained in the same degree as shown in the Governor's Budget, except that salaries and wages will not be segregated by position classification. If it is necessary for the agency to exercise a greater degree of budgetary control, additional ledger cards may be maintained. For example, each district may be accounted as a sub-function in order to meet the agency's management needs even though the Governor's Budget does not show by district the amounts requested. If only expenditure data is needed in greater detail than the Governor's Budget, transactions will be coded in a single account. The additional analysis then can be obtained by reviewing the Allotment-Expenditure account at any time. Agencies may code allotments to facilitate posting. (See also Sections 6200 to 6227.)

8301.1 BUDGET ACT APPROPRIATION
(Revised 3/87)

An Allotment-Expenditure Ledger card normally will be kept for each allotment shown below:

Field Operations*

Personal Services**
Salaries and Wages, 1st Quarter*** (A)
Salaries and Wages, 2nd Quarter*** (A)
Salaries and Wages, 3rd Quarter*** (A)
Salaries and Wages, 4th Quarter*** (A)
Temporary Help*** (A)
Overtime*** (A)
Retirement*** (A)
OASDI*** (A)
Health Benefits*** (A)
Workmen's Compensation*** (A)

Operating Expenses and Equipment **

For each type of Operating Expense shown in Governor's Budget (such as General Expense, Printing, Communications, (etc.) and for Equipment*** (A)

For each function (and sub-function if such sub-function is shown in the Governor's Budget or if the further analysis by sub-function though not shown therein is necessary for proper budgetary control).

* This is a function. If function is further classified, such as by districts, each district would represent a sub- function.
** These objects of expenditures are classed "categories" in the Budget Act.
*** These are allotments.

(A) Balance of allotment column is a "plus".

Estimated Salary Savings*** (B)
Unallotted Appropriation*** (A)
(Identified as to category)

Budget Revisions Pending*** (B)
Allotments Promised*** (B)
For each appropriation
Estimated Reimbursements****
For each type shown in the Governor's Budget,
such as Services to Employees–Meals, Services
to Employees–Rental of Living Quarters, etc. *** (B)
Unscheduled Reimbursements*** (C)

8301.2 OTHER APPROPRIATIONS AND EXECUTIVE ORDERS
(Revised and Renumbered 2/65)

Allotment-expenditure accounts will be established also for appropriations not contained in the Budget Act and for Executive Orders not augmenting an appropriation. These allotments will be established in sufficient detail to meet the requirements of the agency. If the appropriation is by category, the allotments will be in at least that detail.

8301.3 BUDGETS NOT SPECIFICALLY APPROPRIATED
(Revised 3/87)

There are a number of other than Governmental Funds that are required to submit annual budgets for approval, and subsequent quarterly budget reports, but that operate out of their own operating funds and do not receive specific appropriations or executive orders. The budgets of these funds are shown in the appendix to the Governor's Budget but are not included in the Budget Act.

Allotment-expenditure accounting for these funds is the same as for Governmental Funds. Allotments will be established in the same detail as shown in the Governor's Budget. The only difference is in the documentation. There will be no Controller's Journal Entry officially establishing the budget, and some agencies may not be required to submit Budget Revisions or Transfers of Budget Allotment. In those cases, allotments will be recorded and adjusted by internal documents only.

8302 ALLOTMENT-EXPENDITURE LEDGER
(Revised 3/87)

All agencies that maintain the Allotment-Expenditure Ledger by hand will use Form 535. Columns are arranged and lettered on Form 535 as follows:

A. Date
B. Reference
C. Allotment
D. Estimate
E. Expenditure
F. Allotment
G. Expenditures
H. Unliquidated Encumbrances
I. Unencumbered Balance

*** These are allotments.
*** Estimated Reimbursements may be scheduled in the Budget Act into one or more types, not necessarily to the same degree of detail as in the Governor's Budget.
(A) Balance of allotment column is a "plus".
(B) Balance of allotment column is a "minus".
(C) Balance of allotment column is "zero" until it is revised by Budget Revision to a "minus".
Typical entries, while explained in subsequent sections, are shown in summary form below:

	Recorded Entry and Effect on Balances		
Type of Transaction	**Transation Column**	**Balance Columns**	
Budget	+C	+F	+I
Transfer of Budget Allotment or Budget Revision			
If Increase	+C	+F	+I

If Decrease	-C		-F	-I
Encumbrance (Estimate)	+D		+H	-I
Estimate Adjustment				
If Increase	+D		+H	-I
If Decrease	-D		-H	+I
Expenditure				
Previous Encumbered	-D	+E	+G	-H
Direct deduction from unencumbered balance		+E	+G	-I
Expenditure Abatement		-E	-G	+I
Reimbursement		-E	-G	+I

The following points are summarized as a partial check-list to be considered in balancing Allotment-Expenditure Ledger accounts:

1. The balance columns for Expenditures and Unliquidated Encumbrances must balance in total to control accounts in the General Ledger. The balance column for Unencumbered Balance must, together with Unliquidated Encumbrances, reconcile in total to appropriation and executive order account balances per the State Controller's Office records.
2. A summary card (not General Ledger card) will be maintained over the subsidiary Allotment-Expenditure Ledger. Entries should be made to the summary card by batch totals summarizing detail entries to individual cards. The detail cards will balance with the summary card. The expenditure balances shown on the summary card for all appropriations to an agency from a fund will balance with the related expenditure accounts for that fund in the General Ledger. The unliquidated encumbrances balances shown on the summary cards for all appropriations to an agency from a fund will agree with Account No. 6150, Encumbrances, for that fund. The unencumbered balance plus the unliquidated encumbrances balance shown on the summary card for each appropriation will be reconciled to the balance of the related appropriation account in the Controller's records.
3. Agencies that hand-post their Allotment-Expenditure Ledger will prove their postings by using an adding machine after each group of postings to a ledger card. The allotment balance always must equal the sum of the other three balances.
   Agencies will prove at the end of each month that the open estimates, including amounts encumbered for the lag, equal the amount shown by the Allotment-Expenditure Ledger as unliquidated encumbrances and the Encumbrances account in the General Ledger.

8320 ALLOTMENTS
(Revised 3/74)

Amounts allotted will be recorded in the Allotment-Expenditure Ledger at the time appropriations or executive orders are recorded in the Controller's accounts. The Final Budget and special appropriations will be recorded on the ledger cards for the appropriate allotments. Agencies may find it advantageous to set up allotments in advance of July under date of July 1, using the amounts shown in the Governor's Budget, and then later under the some date adjust the amounts as necessary, using the List of Legislative Changes in the Budget Act. This method will lessen the amount of accounting work to be done at the beginning of the fiscal year. The amount applicable to each allotment will be recorded in the allotment column of the transaction section. This recording will increase both the allotment and unencumbered balance columns of the balance section.

Agencies will request changes in amounts allotted by submitting a Budget Revision, Form 26, or a Transfer of Budget Allotment, Form 25. Appropriate documents will be submitted immediately upon determination that additional financing will be required. (See Sections 6230 to 6237.)

8322 BUDGET REVISIONS
(Revised 3/87)

Budget Revision, Form 26, is used to obtain approval to augment budget allotments if more than a transfer between allotments in the same appropriation category is involved (See Section 6231).

At the time that the Form 26 is submitted to the Department of Finance, the agency posts the revisions to the appropriate accounts in the Allotment-Expenditure Ledger. If the revision is also a request for augmentation of an appropriation, the increase in expenditure allotments is offset by a minus allotment account "Budget Revisions Pending". Agencies are permitted to encumber or expend against pending requests to increase allotments only if the encumbrance or expenditure is made pursuant to an encumbrance document or other written document approved by the Department of Finance.

If the amount of the augmentation necessary cannot be accurately estimated or the executive order cannot for some reason

be issued immediately, the Department of Finance may issue an "Allotment Promise" as a temporary authorization until the executive order can be issued. Upon receipt of the allotment promise, the agency will make a plus entry in the Budget Revisions Pending allotment in the amount of the original request, thus reducing that allotment to zero and establish a new minus allotment account, "Allotment Promise No. ___ ". This allotment will be in the amount of the allotment promise. If the amount of the allotment promise is different from the amount requested, or is issued in the same total amount but with financing different than that shown on the Form 26 when submitted, the various allotments concerned must be increased or decreased as required for the amount of the difference.

When the Controller's Journal Entry supported by an Executive Order is received augmenting an appropriation where an interim allotment promise was issued, the entry in the Allotment Expenditure Ledger will be a plus entry in the "Allotment Promise No. ___ " account reducing it to zero. If the Executive Order is issued in an amount different than the Allotment Promise or is issued in the same amount but with financing from different sources than that shown in the Allotment Promise, the various other allotments concerned will be increased or decreased as required for the amount of the difference.

If a Controller's Journal Entry supported by an Executive Order is received augmenting an appropriation but no Allotment Promise was issued, the entry to the Allotment-Expenditure Ledger is a plus amount to the "Budget Revisions Pending" account giving that account a zero balance. If the amount of the Executive Order is different from the amount requested or is issued in the same amount but with financing from sources different than shown on the original budget revision, the various other allotments concerned will be increased or decreased as required for the amount of the difference.

Budget Revision, Form 26, is also used to request (and record) certain transactions requiring Department of Finance approval but which do not augment an appropriation or another executive order. The principal types of these requests are the following:

1. Requests to transfer allotments between appropriation categories.
2. Requests to allot amounts reserved in the Unallotted Appropriation accounts.
3. Requests to augment Estimated Reimbursements allotments and simultaneously augment expenditure allotments.

Entries to record these transactions will be made at the time the Std. Form 26 is submitted to the Department of Finance for approval. If they are approved in an amount different than requested or are approved in the same amount requested but with different financing of the expenditure allotment augmentations, agencies will make adjustments as required in the Allotment-Expenditure Ledger.

8324 TRANSFERS OF BUDGET ALLOTMENT
(Revised 3/74)

(See SAM Section 6230 for use of Transfer of Budget allotment, Std. Form 25.) Transfers will be posted as prepared. Adjustments will be made if they are subsequently cancelled or amended.
Transfers will be recorded in the Allotment-Expenditure Ledger as:

- Plus amounts in the allotment transaction column and will increase the balances of the allotment and unencumbered balance columns of the allotment being increased.

- Minus amounts in the allotment transaction column and will decrease the balance of the allotment and unencumbered balance columns of the allotment being decreased.

Transfers of allotments usually require changing amounts of lag encumbrances in allotments concerned. Where the same lag percentage is used for both allotments concerned, the encumbrance document for lag will be transferred in the same transaction as the transfer of budget allotments. No entry will be made in the Estimates Register when unliquidated encumbrances are transferred in this manner. Agencies will use Request for Purchase Order or Estimate Change, Std. Form 96, modify the forms as necessary to reflect adjustments of lag where the percentage of lag differs between the allotments concerned.

8340 ENCUMBRANCES
(Revised 12/05)

Encumbrances are commitments for expenditure and are estimated carefully to reserve the amount of the expected expenditures. Departments will consider the necessity for encumbering small transactions that comprise a small percentage of total expenditures. For example, individually encumbering small purchases can be time consuming; therefore, the average amount of small purchases outstanding may be included in "the lag." (See SAM Section 8342.1.)

Appropriations are encumbered by purchase estimates (provided the Department of General Services (DGS) Purchase Order is dated prior to the date the appropriation encumbrance availability ceases), printing requisitions, payroll estimates, leases, standard agreements, Public Works Project Authorization and Transfer Requests, lag encumbrances, subpurchase

orders, or other documents.

The Victim Compensation and Government Claims Board Rule 610 provides that the issue date of an agreement determines the fiscal year appropriation to which the encumbrance/expenditure for goods or service is charged. The issue date of an agreement is the date it is "made and entered into." Any required control agency approvals are retroactive to that date. However, departments must meet the deadlines for submitting procurement documents as specified by DGS.

For support and local assistance appropriations, encumbrances/expenditures are charged to the fiscal year in which the agreement was issued when the delivery date of the goods/service is in the same fiscal year or the delivery date is construed to mean as soon as possible. As soon as possible includes a delivery date that is:

- Not identified or specific
- Specific but not a requested delay in delivery
- Specified as 10 days, 30 days, or the like

The following exceptions may apply:

- Encumbrances/expenditures are charged to the fiscal year that the goods/services are received when the purchase agreement stipulates that goods/services be delayed until requested or delayed until on or after a specific date (e.g., agreement issued in June for which the department requests equipment maintenance during the next fiscal year).
- Goods purchased and received in the months of May or June for use during the subsequent fiscal year may be paid from the appropriation for such subsequent fiscal year. Invoices covering such purchases shall be marked as follows: "Purchased in___F.Y. for use in___F.Y." Payments for such invoices may not be made until enactment of the subsequent fiscal year Budget.
- Multi-year Agreements - Agreements which span more than one fiscal year may be charged (1) totally to the first year of appropriation covered by the agreement, or (2) to more than one fiscal year's appropriation, depending on the:
    - Appropriation authority - Sufficient spending appropriation authority must exist.
    - Details of the agreement.

Department will determine the budgetary plan for charging the encumbrance and subsequent expenditure when issuing a multi-year agreement. The budgeted amount will be reflected in the funding strip of the agreement. Departments have discretion as to which fiscal year appropriation to charge; however, the budgetary plan is the predominant factor in making this determination.

The certificate of funds availability must be signed by the accounting officer or a delegate after such person has ensured that funds are available.

Encumbrances will be recorded individually in the Allotment Expenditure Ledger (AEL) or operating file (CALSTARS departments) for the appropriation. This entry will increase the unliquidated encumbrance amount and decrease the unencumbered balance.

As expenditures are recorded on claims, amounts will be posted to reduce the related encumbrance amount. For partial orders, many automated systems will liquidate the encumbrance for the same amount as the expenditure. However, if it is determined that encumbrance amounts are materially misstated, either over or underestimated, adjustments will be recorded to more accurately reflect the expected expenditure. The encumbrance is fully liquidated when the order is fully satisfied.

Estimated decreases will be recorded as a minus amount. This will decrease the unliquidated encumbrance amount and increase the unencumbered balance.

Encumbrances will be recorded in the General Ledger accounts as prescribed in SAM Section 10502.

8341 PERSONAL SERVICES
(Revised 3/74)

Quarterly salaries and wages allotments will be encumbered at the beginning of each fiscal year for amounts expected to

be expended each quarter with respect to positions carried forward from the preceding fiscal year. These amounts are determined by analyzing Budget Schedule 8, Supplementary Schedule of Salaries and Wages (see SAM Section 6202). Change in Established Positions, Std. Form 607 (see SAM Section 853l), will be used to encumber blanket positions and new positions authorized in the current fiscal year to disencumber positions abolished.

8341.1 SALARY SAVINGS
(New 5/72)

Annually the Budget Act requires that at the end of each quarter, or other period of time covered by the allotment, the unencumbered balance in the Salaries and Wages allotments be transferred to the Salary Savings allotment. Therefore, at the close of each quarter or other period of time covered by the Salaries an Wages allotment, the unencumbered balance remaining in each allotment for salaries and wages will be transferred to Estimated Salary Savings. This is accomplished by the use of Transfer of Budget Allotment (TBA), Std. Form 25. The TBA need not be approved by the Department of Finance. Reallocation of salary savings requires submission of Budget Revision, STD. Form 26, to the Department of Finance.

8342.1 ENCUMBRANCE OF THE LAG
(Revised 10/15/71)

While many items can be encumbered from purchase estimates, printing estimates, leases, contracts, etc., many cannot. Unencumbered balances of certain allotments would be over-stated if charges to allotments were made at the time invoices were filed for payment. Therefore, in order that the unencumbered balances shown in accounts and on reports will show more accurately the true financial condition of the allotments, agencies will encumber certain allotments at the beginning of each fiscal year in amounts representing their best estimates of obligations outstanding as at the end of an average month but not otherwise encumbered by estimates, leases, etc. This estimated amount is called "the lag" The lag will be recorded on the Allotment-Expenditure Ledger by one of two methods:

1. Request for Purchase Order or Estimate Change, Std. Form 96, may be used, modified where necessary, with the appropriate explanation stated thereon. Agencies will prepare this form in original only, using it merely as an internal document. This form also may be used to adjust the lag, if necessary.
2. The lag at the beginning of the year may be reflected in the initial journal entry recording the annual budgetary allotments. The amounts allotted, amounts encumbered for the lag, and the unencumbered balances will be shown for each allotment concerned.

The amount of lag necessary will vary among allotments within an agency and among agencies depending on promptness in receiving and scheduling invoices for payment. Past experience has indicated that a lag of up to 15% of the annual allotment may be desirable for allotments where no encumbering estimates, leases, or contracts are issued. Allotments with about one-half their expenditures representing items originally encumbered by estimates, leases, and contracts may require a lag of up to 10% of the annual allotment. Agencies will be responsible for estimating the proper lag to meet their own circumstances. Agencies will make revisions, as required, based on experience.

Agencies that account allotments on a quarterly basis, for agency management purposes, should record the lag at the beginning of each quarter and reverse it on the first day of the subsequent quarter. Reversal of the lag has the effect of disencumbering estimated amounts, thereby increasing unencumbered balances to permit charging invoices to allotments after the end of the quarter. Std. Form 96 may be used to reverse the lag.

8342.2 BLANKET ESTIMATES
(Revised and Renumbered 2/65)

Agencies will be governed by requirements of the Office of Procurement, Department of General Services, concerning the submission of estimates to obtain blanket purchase orders. (See SAM Section 3568.) Blanket estimates, and the resulting blanket purchase orders, will merely be considered authorizations to purchase. Blanket estimates and blanket purchase orders will not be accounted as encumbrances. This procedure permits the unencumbered balances shown in accounts and on reports to reflect more accurately the true financial condition of the allotments. Expenditures made under blanket purchase estimates and orders ordinarily will be treated as a deduction from unencumbered balance with no encumbrance being recorded except for the estimated lag. Where such purchases are of a substantial amount in relation to total operating expenses, agencies may establish a separate Allotment-Expenditure Ledger card for the items covered by a blanket estimate. Agencies should either (a) establish a lag for this allotment causing the unencumbered balance to represent the approximate amount available for additional encumbrances or (b) encumber individual sub-purchase orders if a finer control is required to meet their needs. Supply Order, Std. Form 116, may be used as an encumbrance document for supplies purchased from Central Stores.

8342.3 DETAILED INSTRUCTIONS
(Revised 3/87)

The manner of recording encumbrances for the operating expense and equipment category varies, depending upon the allotment involved. Explanations below are intended to clarify the manner of accounting the various allotments. Some

allotments are explained individually. Others are explained by class.

1. Traveling-in-state
   Specific encumbrance documents are not provided for traveling. Therefore, encumbrance will be necessary only for the amount for lag applicable. (See SAM Section 8342.1.) Agencies will encumber at the beginning of each year an amount equal to their best estimate of the amount of expenses actually incurred as of the end of a month but not reflected on the records because the traveling expense vouchers either have not been submitted or having been submitted have not been scheduled in claims for payments.
2. Printing, traveling-out-of-state, equipment and all other allotments where all commitments are made by individual estimate, authorization, or contract affecting only one fiscal year.

   Encumbrance will be by individual estimate, authorization, or other encumbrance document. The unencumbered balance, therefore, represents the amount available for placement of additional estimates.
3. Utilities and all other allotments, except traveling-in-state, where no encumbrance documents are prepared.

   Agencies will encumber at the beginning of each fiscal year an amount equal to their best estimate of the amount of expenses actually incurred as of the end of a month but not reflected on its records because the bills either have not been received or, having been received, have not been scheduled in claims for payment. (See SAM Section 8342.1.) No lag will be encumbered for Pro Rata General Administrative Charges.
4. General Expense and all other allotments where commitments are made both with encumbrance documents and without encumbrance documents.

   Encumbrance will be by individual estimates or other encumbrance documents. Agencies will encumber at the beginning of each fiscal year an estimate of the amount of expenses actually incurred at the end of the month for which specific encumbrance documents have been issued and which are not reflected, due to the delay in receiving invoices and scheduling claims for payment. (See SAM Section 8342.1)
5. Rent-building space
   Agencies will encumber at the beginning of each fiscal year an amount equal to commitments made that extend into that fiscal year, as shown on Standard Form for Leases, Std. Form 1 or Department of General Services Assignment of Space, Form G.S. 4091. Encumbrance also will be made to reserve funds for renewal of leases containing such an option if the agency intends to exercise this right of renewal. There is no standard form specifically devised for recording these encumbrances. Agencies will use Request for Purchase Order or Estimate Change, Std. Form 96, to itemize and summarize these commitments. This information will be scheduled on a work sheet to support the encumbrance document if items are numerous.

Standard Form for Leases, Std. Form 1, and Department of General Services Assignment of Space, Form G.S. 4091, will be used to encumber funds as new premises are rented. Agencies will indicate on these forms the amount required for the fiscal year and the remaining unencumbered balance. The latter figure will represent the excess of the allotment over actual lease commitments and the amounts estimated to be required to exercise renewal options in existing leases.

8343 CAPITAL OUTLAY
(Revised 10/71

These allotments usually will be encumbered by individual encumbrance documents.

Usually purchases of real property are subject to the provisions of the Property Acquisition Act. (See SAM Section 8705.) Agencies will encumber the estimated amounts of such expenditures by using Request for Purchase Order or Estimate Change, Std. Form 96, as an internal accounting document.

8360 EXPENDITURES
(Revised 3/87)

Expenditures normally are classified in the same detail as budget allotments. (See SAM Section 8301.) If a finer analysis is necessary, transactions will be coded in a single account. The additional analysis then can be obtained by reviewing the Allotment-Expenditure Ledger account at any time.

Agencies, particularly the smaller ones, ordinarily will find it advantageous to show in the Claims Filed Register whether or not the amount scheduled liquidates encumbrances. Agencies may, when circumstances warrant, debit Account No. 5350, Reserve for Encumbrances, and credit Account No. 6150, Encumbrances, from a monthly journal entry summarizing transmittals of posting media, instead of recording the detail in the Claims Filed Register.

The amount of expenditures previously encumbered by specific encumbrance documents applicable to each allotment will be recorded as a minus amount in the estimate column and as a plus amount in the expenditure column of the transaction section. This will increase the expenditure column and decrease the unliquidated encumbrance column of the balance section.

The amount of expenditures not previously encumbered applicable to each allotment will be recorded in the expenditure column of the transaction section. This will increase the expenditure column and decrease the unencumbered balance column of the balance section.

8361 PERSONAL SERVICES
(Revised 2/99)

Salaries and wages and contributions for retirement, OASDI, health, dental, and vision care benefits paid under the uniform payroll system will be recorded in the appropriate allotment from the expenditure analysis columns of the Payroll Expenditure Register. If distribution is not practical in this register, it will be made from the documents that support this register, that is, Notices of State Payroll Revolving Fund Transfers and/or Payroll Warrant Registers.
Workers' Compensation expenditures will be posted to the appropriate personal services allotments utilizing the same type of documentation as described in the following section for operating expenses and equipment.

8362 OPERATING EXPENSES AND EQUIPMENT
(Revised and Renumbered 2/65)

All items scheduled for payment will be posted to appropriate allotments from either: (1) summarized totals shown on the master copy of Schedule of Bills Filed, STD. Form 210; (2) posting slips, if volume justifies; or (3) duplicate copies of invoices. Summarization on STD. Form 210 ordinarily will be most advantageous for agencies maintaining the Allotment-Expenditure Ledger manually.
Expenditures resulting from Controller's transfer will be recorded from individual journal entries unless the volume of such transactions is sufficient to justify a specialized register.

8363 CAPITAL OUTLAY
(Revised 3/87)

For projects conducted by the Office of Architecture and Construction, Controller's Transfers supported by Public Works Project Authorization and Transfer Requests will be posted to appropriate allotments.

8364 ABATEMENTS

Posting usually will be made from the: (1) General Cash Receipts Register, (2) Invoice Register, or (3) Clearance Register. The amount applicable to each allotment usually will be recorded only in the expenditure column of the transaction section. This entry will decrease the expenditure column and increase the unencumbered balance column of the balance section. (The unliquidated encumbrance column will be affected only if an encumbrance must be re-established.) See SAM Sections 8720 and 8730 for instructions regarding accounting of Sales and Use taxes.

8365 REIMBURSEMENTS
(Renumbered 2/65)

Postings usually will be made from the: (1) General Cash Receipts Register, (2) Invoice Register, or (3) Clearance Register. The amount applicable to each allotment will be recorded as a minus amount in the expenditure column of the balance section be increasing the minus balance in that column. The entry will increase the unencumbered balance, usually by decreasing the minus balance in that column.

8380 YEAR-END ACCRUALS
(Revised 2/99)

Expenditures, abatements, and reimbursements accrued as of June 30 and liquidations of encumbrances resulting from such accruals will be posted to the applicable allotments. See SAM Sections 10602 and 10608 for accrual procedures applicable to all funds for which Allotment Expenditure accounts are maintained.
Allotment-Expenditure accounting for any appropriation is discontinued at the end of the period of availability for encumbrance of the appropriation. Thereafter, monthly summary postings of expenditure, abatement, and reimbursement transactions affecting such appropriations will be posted by appropriation only to the applicable appropriation accounts in the subsidiary Prior-Year Appropriation Adjustments Ledger.
Discontinued Allotment-Expenditure Ledger accounts will be retained in a closed file for audit.

8381 ONE-YEAR APPROPRIATIONS
(New 2/65)

The year-end accruals posted to Allotment-Expenditure accounts for support appropriations or other one-year appropriations will be the last postings made to those accounts.

8382 CONTINUING APPROPRIATIONS
(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.