

SAM – BASIS OF ACCOUNTING

PRIOR YEAR APPROPRIATION ADJUSTMENTS

10240

(Revised 2/1999)

Agencies will accrue as of each June 30 all items not already accrued that eventually will be credited or charged to appropriations and executive orders of the fiscal year just ended. Adjustments due to differences between the amount of expenditures, abatements, or reimbursements accrued as of each June 30 and actual expenditures, abatements, or reimbursements, will be debited or credited to a Prior-Year Appropriation Adjustments account. Adjustments will be accounted on an appropriation-wide basis without regard to allotment because allotment accounting ceases with respect to a fiscal year upon closing the books for that year. (This paragraph will not apply to appropriations available for more than one fiscal year unless the adjustment becomes apparent after the period of availability has expired. For such appropriations, adjustments will be accounted as current fiscal year expenditures and reimbursements if they occur during the period of availability of the appropriation.)

Accruing expenditures and reimbursements as of each June 30 and accounting for the actual transactions as prior year appropriation adjustments permits the June 30 expenditure and reimbursement figures to be considered final upon closing the books. This eliminates the need to re-open accounts and prepare new statements because of minor differences between the accrual amounts and actual amounts. To prevent material differences, agencies will use considerable judgment and care in accruing expenditures and reimbursements as of June 30.