

APPROPRIATIONS

AUDITOR'S FALL QUADRANT MEETINGS 2019
STATE BOARD OF ACCOUNTS

CONTROL OVER FUNDS

To disburse, you need to consider

- 1) Balance in fund (Cash balance)
- 2) Permission to spend



BASIC AUDIT POSITION



Indiana Code 36-2-5-2(b) states:

The county fiscal body shall appropriate money to be paid out of the county treasury, and money may be paid out of the treasury only under an appropriation made by the fiscal body, except as otherwise provided by law.

DISBURSEMENTS



Without an appropriation

- IC 36-2-9-14

Appropriated by Council only

PUBLISHING THE BUDGET



Indiana Code 6-1.1-18-1

“... the officers of a political subdivision may not fix a budget or tax levy which exceeds the amount published by the political subdivision. The portion of a budget or tax levy which exceeds the published amount is void.”

DISBURSEMENTS UNDER BUDGET



IC 6-1.1-18-4

Except as otherwise provided in this chapter, the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article.

ADDITIONAL APPROPRIATIONS



IC 6-1.1-18-5

If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their proposed additional appropriation.

TRANSFER OF APPROPRIATION



Within the same departmental budget

Same major budget classification

Auditor or Council per county policy

Between major budget classification

Council Approval

TRANSFER OF APPROPRIATION



Across departmental budgets

- Council reduces appropriation
- Council adopts additional appropriation
- Requires State approval

- See IC 6-1.1-18-6

Transfer of Funds



You may transfer from a fund's cash balance only if there is authority to make the transfer.

- Example: Rainy Day Statute IC 36-1-8-5.1

EXCEPTIONS –Transfer of Appropriation



Insurance funds – IC 6-1.1-18-7

Reimbursements of state and federal grant funds – IC 6-1.1-18-7.5

Erroneous or excessive disbursements – IC 6-1.1-18-9

GRANTS



Federal grants received as an advance grant do not require appropriation

- Follow grant agreement for allowable/costs
- Grant funding would provide the limit

GRANTS



State grants require appropriation

- We will not take audit exception:
 - Advance state grant
 - Detail budget in grant agreement and grant fund is set up with those budget constraints

GRANTS



Reimbursement Grants

- The initial expenditure from county funds needs appropriation
- Reimbursements may be re-appropriated by council

ENCUMBRANCES




Accounting mechanism to hold over a portion of the prior year's budget for expenses paid in the current year.

- Approved by council
- Must have underlying reason

REASONS FOR ENCUMBRANCES



- ❖ Lawful contract that has not been fully paid
- ❖ Purchase order dated prior to December 31
- ❖ Bond Issue Proceeds
- ❖ State or Federal grant – local match

	<p>EXCERCISE</p> 
<p>CASH BALANCE</p> <p>APPROPRITION</p>	