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
EXCERCISE

CASH BALANCE

APPROPRIATION