

APPROPRIATIONS

Auditor's Fall Conference 2018

CONTROL OVER FUNDS

- To disburse, you need to consider

- 1) Balance in fund
- 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.

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

EXCEPTIONS

- 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