

SECTION 360: MONITORING CHARGES AGAINST ALLOTMENTS

1. General Description. This section describes the use of the appropriation/allotment reports provided by DAGS Accounting Division, to help maintain the amount and purpose limitations applicable to the allotment of appropriations and to the obligation and expenditure of allotments on a current basis. This basic monitoring requires that departmental records be reconciled and kept in continual agreement with the central accounting records maintained by DAGS Accounting Division. The reports provide comparative accounting information, and they should be used to:
 - (a) Prevent overspending appropriations and allotments.
 - (b) Reconcile departmental appropriation and allotment records.
 - (c) Reveal errors in coding expenditure transactions.
 - (d) Identify other problems in expenditure activities.
 - (e) Prepare future projections.

2. Appropriation/Allotment Reports Available for Comparison. The accounting reports for appropriations and allotments provide the basic accounting history and current status of each appropriation and allotment account. The Legislature is the source of all appropriation amounts and any adjustments thereof reflected on the reports. The administrative allotments, and any adjustments thereof, are as provided by the Department of Budget and Finance.

The actual expenditure transactions reflected on the reports are as recorded on the basis of transactions processed through DAGS Accounting Division. The APPROPRIATION AND EXPENDITURES REPORT is distributed to departments and agencies, and the subsidiary APPROPRIATION/ALLOTMENT LEDGERS from which the information is derived are available at DAGS Accounting Division for either inspection or photocopying.

 - (a) APPROPRIATION AND EXPENDITURES REPORT. This report reflects the ending status of each appropriation and allotment account, for each department or agency.
 - (b) APPROPRIATION/ALLOTMENT LEDGER. This ledger reflects the current status of each appropriation and allotment account. The ledger reflects both descriptive information (such as the lapse date and the title of the appropriation) and financial information on the accounting transactions at both the appropriation and allotment level.

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3. Verification of Appropriation and Allotment Reports. Before any comparative type of analysis is made, the appropriation and allotment reports should be compared and, if necessary, reconciled with departmental accounting records.
 - (a) Determine the accuracy of the appropriated and allotted amounts. The appropriated and allotted amounts should be verified with the departmental records of approved appropriations and allotments processed through the Department of Budget and Finance.
 - (b) Determine the accuracy of the expenditure amounts. The amounts expended or encumbered on the reports should be checked with the departmental records for expenditures and other adjustments processed through DAGS Accounting Division. When differences are identified, it may be necessary to check the subsidiary APPROPRIATION/ALLOTMENT LEDGER that is maintained by DAGS Accounting Division.
 - (c) Determine the accuracy of the ending appropriation and allotment balance. The appropriation and allotment balances on the reports should be checked with the departmental records to ensure that the balances are in agreement. Again, it may be necessary to check the subsidiary APPROPRIATION/ALLOTMENT LEDGER to locate any differences.

4. Evaluating the Reports. The evaluation of the status of each appropriation and allotment account should be beneficial to departments and agencies in managing their current operations. The following are some of the purposes for making these evaluations:
 - (a) Prevent overspending appropriations and allotments. Although departments and agencies are responsible for making expenditures and incurring obligations, the Comptroller, by means of the APPROPRIATION/ALLOTMENT LEDGER, enforces compliance with the amount and purpose limitation applicable to each appropriation and allotment account.
 - (b) Reconcile departmental appropriation and allotment records. The APPROPRIATION/ALLOTMENT LEDGER maintained by DAGS Accounting Division provides the basic connecting-link with departmental records. The reconciling of the departmental records should prevent departments and agencies from making expenditures or incurring obligations beyond available allotments.

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- (c) Reveal errors in coding expenditure transactions. The evaluation of the reports may reveal problems in the coding of the expenditure transactions. Employees responsible for the preparation of the source documents for expenditure may not be apprised of the proper uniform accounting codes to be used.
 - (d) Identify problems in expenditure activities. The comparison of the budgetary amounts and actual expenditures may reveal problems in the expenditure activity within the department or agency. The expending units within the department or agency may not be in compliance with the operational expenditure plans established by management.
 - (e) Prepare future projections. The comparison results and other corrective action relating to current information should provide a good resource base for the preparation of future estimates.
5. Processing Adjustments. Refer also to Section 370, General Description of Appropriation/Allotment Adjustments, of this volume. The processing of appropriation/allotment adjustments is as follows:
- (a) Adjustments to budgetary estimates and allotments must be processed through the Department of Budget and Finance.
 - (b) Adjustments to actual expenditures must be processed through DAGS Accounting Division.