SECTION 323: TYPES OF APPROPRIATIONS AND ALLOTMENTS

1. General Description. The appropriation and allotment records are maintained by DAGS Accounting Division for the purpose of assuring legal compliance with legislative appropriation acts, administrative allotments, and other related restrictions. Departments and agencies should be familiar with the different types of appropriations and allotments because of the differences in the methods by which funds are controlled and documents are processed.

2. Types of Appropriations.

   (a) Operating Appropriations. These are appropriations that (1) are for the operating budget (as opposed to capital improvement projects), (2) are made for a particular fiscal year, and (3) are subject to automatic lapse under Section 40-66 of the Hawaii Revised Statutes.

   (b) Special Purpose and Continuous Appropriations. These are appropriations established for special purposes that may or may not have restrictions as to the period in which the funds appropriated must be expended or encumbered.

   (c) Capital Improvement Project Appropriations. These are appropriations established for capital outlay, generally for expenditures related to the acquisition of or additions to fixed assets.

3. Types of Allotment. Allotments are divisions of an appropriation which are administratively released to be encumbered or expended for the specific purpose of the related appropriation. The two kinds of division by which administrative allotments are made by the Director of Finance are:

   (a) Quarterly. This type divides an appropriation on a quarterly basis over a period of time of not more than one year. Operating appropriations are commonly allotted on this basis.

   (b) Amount. This type divides an appropriation into incremental amounts on a purpose basis or by some other criteria, with or without regard to a time period. This type of allotment is used whenever it is considered by the Director of Finance to be more expedient than the quarterly allotment basis. Capital improvement project appropriations are commonly allotted on this basis.