



# Financial Management Policies and Procedures

Issued by

Office of Planning and Budget and

State Accounting Office

| Policy Number | Section Name            | Policy Name                 | Effective Date | Version |
|---------------|-------------------------|-----------------------------|----------------|---------|
| 4-8-1         | Other Procedural Issues | Journal Entry Documentation |                | 1.0     |

## I. Purpose/Scope

- To provide for compliance with the legal level of control prescribed in the appropriations act by defining standards for adjustments between budget programs or between fund sources within budget programs.
- To provide for accounting records in compliance with the statutory basis of accounting.
- This policy applies to all appropriated organizations.

## II. Background

The Appropriations Act formalizes the State's budget establishing the specific intended use of funds by appropriated organizations and defines the level of budgetary control. All expenditures reported at the fund source within program level must be supported by appropriate source documentation in order to demonstrate compliance with the statement of purpose (for programs) and other restrictions/regulations (fund source).

## III. Policy

Adjustments reclassifying transactions should be traceable to the documentation supporting the original transaction. Also see Budgetary Policy relating to the amending and de-amending of Federal and Other funds.

## IV. Procedure/Guidelines

Documentation should be maintained for adjustments posted during a fiscal year, especially as a part of year-end closing procedures, that allows for the verification of the adjusted transaction to the source documentation supporting the original transaction. Such documentation should include, but is not necessarily limited to, analyses identifying

original deposit ID's, purchase orders, voucher ID's or other relevant identifying reference and should identify the original transaction's budget program by fund source or justification for a change in allocation methodology.

## **V. Approval**

| <b>Agency</b> | <b>Approval Date</b> |
|---------------|----------------------|
| SAO           | 6-15-08              |
| OPB           | 6-15-08              |

## **VI. Revision History**

| <b>Version</b> | <b>Date</b> |
|----------------|-------------|
| 1.0            | 6-15-08     |