

**STATE OF MISSISSIPPI
DEPARTMENT OF FINANCE AND ADMINISTRATION**

TOPIC	EXPENDITURES	SUB-SECTION 09.10.10
SECTION	OVERVIEW OF EXPENDITURES	ISSUANCE DATE JULY 1, 1998
SUB-SECTION	EXPENDITURE AUTHORITY	REVISED - 2018

EXPENDITURE AUTHORITY

Authority for expenditures by all state agencies is established by different methods depending on the source of the funds to be expended. The three basic types of expenditure authority are appropriated, non-appropriated but allotted, and non-appropriated and non-allotted.

Appropriated accounts are created for the amount appropriated by the legislature and approved by the Governor. In order to expend funds, an agency must use T-Code FMBB to create the appropriate document. DFA approval of the documents sets up the allotment by the major category of expenditure which permits the agency to spend the money as appropriated.

Non-appropriated but allotted accounts are also created by using T-Code FMBB and do not have to be appropriated by the legislature.

Non-appropriated and non-allotted accounts do not have an appropriation or a document approved by DFA. The allotment, authority to spend, is created by receipts being deposited into the agency's treasury fund. Examples of these funds are bond and interest funds and diversion tax and severance payment funds.

The State's accounting system contains records of each appropriation, the allotment balance and the amount of allotment authorized for each major expenditure line. The system also controls the amount of allotment that has been encumbered and the amount unencumbered. An encumbered allotment is a reserved amount for payment of expenditures for which the agency has obligated itself but the invoice for the goods or services has not been paid.

Agencies are able to maintain balances and controls at levels lower than the major expenditure line item levels.

Appropriation/Allotment reports are provided to state agencies for use in reconciling the balances maintained in MAGIC with the balances maintained by state agencies. These reports list the approved appropriation and allotment amount; the pre-encumbered, encumbered and expended amounts; and the available appropriation and allotment amounts.

For more detailed information, refer to the Budget Section (05.00.00) of the MAAPP Manual.