



County of Riverside
OFFICE OF THE AUDITOR-CONTROLLER
STANDARD PRACTICE MANUAL

SUBJECT: MONITORING APPROPRIATIONS
OVERDRAFTS

SECTION:	1	CATEGORY: ADMINISTRATION (REPLACES III-D-2-1.1, 5-6-87)
POLICY NUMBER:	107	
REVISED/ LAST REVIEWED:	4/19/02	APPROVED BY:

PURPOSE: To provide instructions and procedures to lessen the likelihood of appropriation overdrafts.

SCOPE: Applies to County departments, agencies, special districts, and authorities that are governed by Riverside County Board of Supervisors.

POLICY: Warrants will not be produced if a budget unit does not have sufficient appropriations except for the posting Payroll.

In accordance with Government Code §29121, except as otherwise provided by law, an official who authorizes an obligation in an amount known by him/her to be in excess of the unencumbered balance of an appropriation is personally liable for the excess obligation. Transfers as well as warrants can cause appropriation overdrafts.

In accordance with §29122 of the Government Code, the Board of Supervisors shall approve no claim and the Auditor-Controller shall issue no warrant for any obligation in excess of that authorized therefore the budget appropriation, except upon an order of a court of competent jurisdiction, for an emergency, or as otherwise provided by law.

PROCEDURE: The Auditor-Controller's Office will notify the department that financial transactions are being held until appropriations become available. Operations will contact the department head, or designee, and identify the appropriation and amount of the overdraft.

If the department head determines an appropriation adjustment is necessary the department head must request an appropriation adjustment. The department must provide satisfactory proof to the Chief of General Accounting of the corrective action taken. Any of the following will be considered satisfactory proof:

1. A copy of the Board Order approving the appropriations increase or transfer.
2. A copy of the approved Request for Transfer of Appropriations Within a Budget Unit. (See Policy Transfer of Appropriation within an Organization or Change of Quantity and/or Type of Fixed Purchases).

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