

APPENDIX 3

DESCRIPTION OF SPENDING AUTHORITY INDICATOR (SAI) CODES AND SUPPORTING DOCUMENTATION REQUIREMENTS

This appendix contains a listing of SAI codes available for use on AP documents in COFRS. The list includes the SAI code title, a brief description, examples of the proper and improper use of each code, and the documentation requirements to support any request to affect appropriation authority.

The SAI code definitions and documentation requirements are important for several reasons. These codes provide agencies the information they need to ensure timely processing of appropriation transaction (AP document). The SAI code is used by the Office of the State Controller to produce the budget-to-actual statements that are included in the general purpose financial statements and quarterly financial reports. In addition, the SAI code is used by the FAST to prepare a monthly budget reconciliation by type of spending authority. Agencies need to be careful in selecting the SAI used on each AP document. The documentation requirements are necessary to help us ensure that all appropriation authority recorded in the system is adequately and consistently supported.

If there are no dollars on the header of the AP document, the SAI used will depend on the purpose of the AP document. Zero-dollar AP documents processed to either activate an appropriation or revenue source code should use an 07 SAI for all funding sources. Transferring between federal/custodial or statutory appropriations within the same LBLI may use an 04 SAI or 10 SAI as applicable.

The documentation requirements for each SAI code indicate what the FAST needs in order to review and approve AP documents. In cases where multiple documentation items are listed, all items may not be required. The documentation list is not all inclusive, and in unique situations additional documentation may be necessary. All AP documents should contain a brief narrative description of the intended action and a contact person's name and phone number. This includes explaining why a zero-dollar AP document is necessary to activate a revenue source or an appropriation code.

The SAI code definitions in this appendix supersede the definitions in previous years' open/close instructions, Alert No. 80 (issue date December 13, 1993), and the OSC external policy memorandum dated February 1, 1995.

Please review the list carefully and contact your field accounting specialist if you have any questions.

01 LONG BILL – Use this code for the initial recording of Long Bill appropriation spending authority. If this code is used, budget must be recorded in a COFRS appropriated (numeric) Long Bill line item

Proper use of this code includes:

- ♦ Recording current fiscal year's operation portion of the Long Bill.
- ♦ Recording capital construction portion of the Long Bill in the year it is approved by the Governor (lump sum recording by the OSC or direct agency recording excluded from the OSC's lump sum recording).
- ♦ Recording and releasing restrictions when the Long Bill was the original source of funding.

These are the only proper uses for this code. It should never be used to increase or decrease appropriation authority after the Long Bill has been recorded and reconciled.

Improper use of this code includes:

- ♦ Recording adjustments to the Long Bill made in either a special bill or a supplemental bill.

- ♦ Recording any duplicate or double appropriation authority.
- ♦ Recording capital construction carryforwards or reversions.
- ♦ Recording increases in federal spending authority beyond the memo appropriations in the Long Bill.
- ♦ Recording appropriation authority required by substantive statute.
- ♦ Recording appropriation authority in a COFRS nonappropriated Long Bill line item code with the exception of selected higher education funds.

Documentation required to support use of this code includes:

- ♦ An OSC coded copy of the annual Legislative appropriation act (Long Bill) signed by the Governor.

- 02 SPECIAL BILL – Use this code for any appropriation spending authority that arises from a special bill passed by the legislature and approved by the Governor during the regular or any special session and is not otherwise appropriated to an agency through the Long Bill, supplemental bill, or a statute. Appropriation spending authority recorded with this code must be recorded in a COFRS appropriated (numeric) Long Bill line item code.

Proper use of this code includes:

- ♦ Recording any specific appropriation made through a special bill approved by the Governor.
- ♦ Recording and releasing restrictions when a special bill was the original source of funding.

Improper use of this code includes:

- ♦ Recording appropriation authority arising from substantive statute (i.e., authorized to expend).
- ♦ Recording changes made to the Long Bill through a subsequent Long Bill or a supplemental bill.
- ♦ Recording an adjustment to an appropriation made in a special bill by a supplemental bill. The original recording should not be reversed and reentered with a SAI code for supplemental.
- ♦ Recording appropriation spending authority in a COFRS nonappropriated Long Bill line item code.

Documentation required to support use of this code includes:

- ♦ A copy of a Governor approved legislative act with an appropriation clause or clauses for the appropriate fiscal period, fund/agency, and from the appropriate source. The bill should contain a specific appropriation.

- 03 SUPPLEMENTAL BILL – Use this code for any appropriation spending authority arising from a supplemental bill signed by the Governor that either changes, adds, or reduces appropriation authority granted to an agency by the Long Bill or a special bill. If this code is used, budget must be recorded in a COFRS appropriated (numeric) Long Bill line item code.

Proper use of this code includes:

- ♦ Recording the impact of any Governor approved legislative action specifically titled as a supplemental.
- ♦ Recording adjustments made in one fiscal year's Long Bill to another fiscal year's Long Bill (Add-on to the Long Bill).

- ♦ Recording adjustments to a special bill included in a narrative section of a supplemental bill that is an actual adjustment to the spending authority and not a repeat of a special bill.
- ♦ Recording 1331 emergency supplemental approved by the JBC, CDC, OSPB, and the OSC, as applicable.
- ♦ Recording and releasing restrictions when a supplemental bill was the original source of funding.

Improper use of this code includes:

- ♦ Recording appropriation spending authority included in a supplemental bill that repeats the action of a special bill.
- ♦ Recording appropriation authority in a COFRS nonappropriated Long Bill line item code.
- ♦ Recording appropriation spending authority arising from substantive statute (i.e., authorized to expend).
- ♦ Recording any duplicate or double appropriation authority.

Documentation required to support use of this code includes:

- ♦ A copy of a Governor approved legislative supplemental appropriation act supporting the amount of changes requested for the appropriate fiscal period, fund/agency, and from the appropriate source.
- ♦ An OSC coded copy of a Governor approved annual Legislative appropriation act (Long Bill) that changes an amount or source of a previously recorded Governor approved legislative appropriation act (Long Bill or supplemental bill).
- ♦ A copy of a Governor approved legislative act (special bill) with an appropriation clause that change an amount or source of a previously recorded Governor approved legislative appropriation act (Long Bill or supplemental bill).

Note on adjustments to memo federal appropriations in supplemental bills:

If a supplemental bill includes an increase in memo federal appropriations beyond what the agency believes they need or will be able to support with a federal award, record the total increase and restrict the unsupported and/or unneeded amount.

If a supplemental includes a decrease to memo federal appropriation authority and there exists unsupported federal appropriation authority, reduce the appropriation to the unsupported amount or to the negative supplemental, whichever is less.

- 04 CUSTODIAL – Use this code to record any nonappropriated custodial funds. Custodial funds are defined as funds which are given to the State that can be specifically identified and set aside, which are for a specific purpose, for which the State is to act as a custodian, and which are not available for the general use of the state. Examples of custodial funds may be federal funds, private gifts, grants or donations, and court awards. Gifts, grants and donations received for the general use of a State agency are not considered custodial funds. Please refer to SAI 10 if your agency has statutory authority to receive and expend gifts, grants, donations and/or contracts. If this code is used, budget may be recorded in either a COFRS appropriated (numeric) or nonappropriated Long Bill line item code.

Proper use of this code includes:

- ♦ Recording federal awards that are either not appropriated or recording the amount of a federal award that is in excess of the memo appropriations in a legislative act (Long Bill, special bill, or supplemental).
- ♦ Recording nonappropriated gifts (gifts per definition in CRS 24-77-102(6)) or the amount of a gift that is in excess of the appropriations in a legislative act (Long Bill, special bill, or supplemental) when use of the gift is restricted for a particular purpose by the donor.
- ♦ Recording the carryforward of any of the two previously mentioned items into a subsequent fiscal year.
- ♦ Recording spending authority related to gifts, grants or donations received by a department for which the department acts as a trustee or agent and where the use of the funds have been restricted for a specific purpose. Statutory authority is not needed for the department to act in this capacity and expend custodial funds.
- ♦ Awards to the State by court action (any level of court).
- ♦ Recording and releasing restrictions when was the original source of funding was custodial.

Improper use of this code includes:

- ♦ Recording gifts, grants and donations where the donor has not placed a restriction on the use of the funds (see SAI 10).
- ♦ Recording any item that has been appropriated.
- ♦ Recording any item that does not meet the definition of custodial funds.

Documentation required to support use of the code includes:

- ♦ A copy of a federal award document applicable for the period in which the appropriation authority is being requested and supporting the requested amount.
- ♦ A copy of a preliminary federal award document applicable for the period in which the appropriation authority is being requested. This may take the form of an official preliminary award, an amount specific letter from the granting agency, or a general intent to fund letter from the granting agency.
- ♦ A copy of a contract or court award from another State agency which identifies that the funds being received by the requesting agency have been granted to them, for the applicable period, and indicating that the funds are 100 percent federal pass-through.
- ♦ Evidence (copy of a check, warrant, award letter, etc.) of a nonappropriated, nonstatutorily authorized gift, grant or donation.
- ♦ Court award or settlement document.
- ♦ Documentation of any previous period expenditures of the funds for awards with budget/award periods that cross State fiscal periods (i.e., State FY10-11; award Period 10-1-05 to 9-30-06). Possible sources for this item are GPP09 reports, APPI screen prints, and/or AFSI screen prints.
- ♦ A completed “Illustration G” worksheet, documenting the amount requested. This worksheet should accompany an award letter and is never adequate documentation by itself (unless it references previously provided documentation such as federal awards). This form is also known as the “Federal Funds Spending Authority Worksheet” and can be located at the following link:
<http://www.colorado.gov/dpa/dfp/sco/alphaindex.htm#F>

- 05 ROLLFORWARDS – Use this code to record State Controller approved rollforwards of general, general exempt, cash, or reappropriated appropriations. If this code is used, budget must be recorded in a COFRS nonappropriated Long Bill line item code.

Proper use of this code includes:

- ♦ Recording any general, general exempt, cash, or reappropriated appropriation for which the State Controller has approved a rollforward from one fiscal year to the next.
- ♦ Recording and releasing restrictions when the original source of funding was a rollforward.

Improper use of this code includes:

- ♦ Recording the carryforward of multi-year appropriations (i.e., capital construction – see SAI 08) or the carryforward of custodial funds (see SAI 04).

Documentation required to support use of this code includes:

- ♦ Evidence of State Controller approval for the rollforward of the requested funds.
- ♦ Evidence that the amount requested is actually available (i.e., BDA01R, APPI, AFSI screen prints, etc.).

- 06 CAPITAL CONSTRUCTION REVERSIONS – Use this code when recording decreases in appropriated capital construction projects for the purpose of appropriation close-out/reversion. This is the only appropriate use. This code is primarily used in Fund 461. Please contact your field accounting specialist for use in other funds.

Documentation required to support use of this code includes:

- ♦ At fiscal year-end, a Capital Construction Continuing Appropriation Status spreadsheet indicating department’s concurrence that the remaining project funds revert. A screen print of the APPI table supporting the dollar amount should also be submitted.
- ♦ During the year, a screen print of the APPI table supporting the dollar amount of the reversion.

- 07 TRANSFERS – Use this code when allocating appropriation authority for routine purposes. There must never be a net impact, either increase or decrease, on total appropriation authority at the statewide level. This code may be used in either a COFRS appropriated (numeric) or nonappropriated Long Bill line item code.

Proper use of this code includes:

- ♦ Recording the allocation of “centralized appropriation” items as defined in the headnotes to the Long Bill.
- ♦ Moving appropriation authority among appropriations codes within a single long bill line item.
- ♦ Recording allocations of appropriations made to one department which are intended to be utilized at another department (i.e., salary survey appropriation to the Department of Personnel).
- ♦ Recording transfers of controlled maintenance appropriations approved by the Office of the State Architect.
- ♦ Recording transfers authorized by statute other than CRS 24-75-108 to 110.
- ♦ Recording transfers authorized by Long Bill footnote.
- ♦ Recording zero-dollar AP documents for activating an appropriation or revenue source code regardless of funding source.

Improper use of this code includes:

- ♦ Recording transfers of appropriation required by special bills.
- ♦ Recording year-end transfers allowable per CRS 24-75-108 to 110.
- ♦ Recording actions that increase or decrease net appropriation authority at the statewide level.
- ♦ Recording actions that change the type of appropriation authority (i.e., decrease cash and increase reappropriated in the same amount).
- ♦ Transfer of federal funds (non-POTS) between appropriations.

Documentation required to support use of the code includes:

- ♦ Documentation (or a statement that documentation is on file at the department) of actual group health, dental and life or short-term disability expenditures.
- ♦ Indication that appropriation codes used are in the same line item (i.e., through review of APPI or other means of determining Long Bill lines).
- ♦ Documentation that amount is available to transfer from one line item to another.
- ♦ Legislative intent that an appropriation to one department is to be used by another department and the amount intended to be used; such as schedule in an appropriation bill. A “T” notation in the Long Bill does not satisfy this requirement.
- ♦ Properly approved State Building’s form SC4.1.

08 CAPITAL CONSTRUCTION CARRYFORWARDS – Use this code to record the unexpended portion of a capital construction project appropriation that is available in the current fiscal year. If this code is used, budget must be recorded in a COFRS appropriated (numeric) Long Bill line item code.

Proper use of this code includes:

- ♦ Recording the unexpended balance of capital construction projects appropriated in prior years that have not expired (three year capital construction appropriation life).
- ♦ Recording the unexpended but properly encumbered balance of expiring capital construction projects.
- ♦ Recording and releasing restrictions when the original source of funding was a capital construction carryforward.

Improper use of this code includes:

- ♦ Recording the reversion of a completed or closed project.
- ♦ Recording any noncapital construction item.
- ♦ Recording the carryforward of any nonappropriated capital construction project.
- ♦ Recording transfers of controlled maintenance appropriations approved by the Office of the State Architect.

Documentation required to support use of this code includes:

- ♦ Properly completed Capital Construction Appropriation Status form for the projects still within their three-year life span.
- ♦ Properly completed Capital Construction Appropriation Status form indicating department’s request to carryforward remaining funds for a project that is scheduled to expire. Along with request, must include documentation of valid and outstanding encumbrance supporting the request amount.

- ♦ Documentation supporting the remaining available spending authority for a project (copy of APPI table).

09 THIS CODE IS SUSPENDED – DO NOT USE UNDER ANY CIRCUMSTANCE.

10 STATUTORY AUTHORITY – Use this code to record appropriation authority based in substantive statute. The statutory authority may or may not be specific in dollar amounts.

Proper use of this code includes:

- ♦ Recording spending authority for gifts, grants and donations when ability to accept *and expend* these funds is authorized by statute.
- ♦ Recording spending authority for statutorily required distributions.
- ♦ Recording spending authority for casualty insurance reimbursements.
- ♦ Recording transfers to the capital construction fund required by statute and repeated in the headnotes to the Long Bill; including transfers from the General Fund and the Lottery.
- ♦ Recording spending authority in a fund necessary for the transfer of excess fund balance to any other fund when there is a statutory limitation on the fund's fund balance.
- ♦ Recording off-budget spending authority necessary for a department to meet its statutory responsibilities.
- ♦ Recording amounts that the Legislature has 'authorized', through statutes, the Executive Branch to expend.
- ♦ Recording amounts authorized through a Governor's Executive Order where the Governor is specifically allowed by statute to authorize spending.
- ♦ Recording the General Fund (Fund 100) side of the higher education double booking in nonappropriated LBLIs.
- ♦ Recording and releasing restrictions when the original source of funding was statutory.

Improper use of this code includes:

- ♦ Recording any gifts, grants or donation received when statutory authorization does not exist to receive and expend those funds.
- ♦ Recording appropriation specifically authorized through legislative appropriation action (Long Bill, special bill, or supplemental) that is not based in substantive statute.
- ♦ Recording any federal funds.

Documentation required to support use of this code includes:

- ♦ Statutory cite being used to support spending authority request.
- ♦ Documentation of nonappropriated statutorily authorized gift, grant or donation (or amount in excess of appropriation).
- ♦ Evidence of insurance settlement (CRS 24-30-202(21)).

11 INFERRED APPROPRIATION – Use this code when appropriation authority is needed to execute a transfer of revenues from one fund to another fund. This may be either intra or interdepartmental and may be either intra or interfund. In addition, use this code for any duplicate appropriation authority. All spending authority recorded using this SAI must be recorded in a COFRS nonappropriated Long Bill line item code.

Proper use of this code includes:

- ♦ Recording spending authority to execute a transfer required to support an appropriation in another area (Long Bill headnote Section 2(1)(e)(IV)). In situations related to the headnote, there must be a corresponding and equal appropriation to justify the amount.
- ♦ Recording appropriation authority to make disbursements to outside parties when legislative appropriation is made to a different fund or agency from where the actual disbursement occurs.

Improper use of this code includes:

- ♦ Recording spending authority for reversion purposes.

Documentation required to support use of this code includes:

- ♦ Evidence of appropriation intended to be supported from the transferring source. This can include letternotes or footnotes contained in the Long Bill or supplemental bills or legislative intent specified in special bills.

- 12 STATUTORY TRANSFERS – Use this code only for year-end transfers allowable per CRS 24-75-107.5 to 110. There must be a \$0 net impact on statewide appropriation authority when using this SAI code.

Proper use of this code includes:

- ♦ Recording year-end transfers allowable per CRS 24-75-107.5 to 110, and approved by OSPB and the State Controller, as applicable.

Improper use of this code includes:

- ♦ Recording any routine suballocation of centralized appropriations.
- ♦ Recording allocations of appropriation within a Long Bill line item to several appropriation codes.
- ♦ Recording transfers which are allowable per headnotes to the Long Bill.
- ♦ Recording transfers required by a special bill or supplemental.
- ♦ Recording transfer allowable by statute other than CRS 24-75-108 to 110

Documentation required to support use of this code includes:

- ♦ Evidence of the OSPB and State Controller approval of transfer.
- ♦ Documentation of available amount (APPI screen print).
- ♦ Statement that transfer is in accordance with CRS 24-75-107.5 to 110.