



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
4-9-1	Other Procedural Issues	Spending Order	July 1,2008	1.0

I. Purpose/Scope

The purpose of this policy is to describe the State's position on the order of spending when both restricted and unrestricted funds are available.

II. Background

The State is required under financial reporting standards promulgated by the Governmental Accounting Standards Board to disclose its policy on the order of spending priority. The Constitution of the State of Georgia (Article III, Section IX, Paragraph II(b)), provides, in part, "... In those instances where the conditions under which the federal funds have been made available do not provide otherwise, federal funds shall first be used to replace state funds that were appropriated to supplant federal funds in the same state fiscal year." In addition, past Appropriations Acts have also indicated spending order for agencies.

III. Policy

When an obligation/expenditure/expense is incurred for purposes for which both restricted and unrestricted net assets are available, agencies will determine spending order in a manner consistent with the Georgia Constitution and any language in the Applicable Appropriations act which maximizes the benefit to the customer and/or the efficiency of the program.

IV. Procedure/Guidelines

State organizations are instructed to spend all resources in accordance with their stated purpose in Federal and/or State law (or other applicable limitation), and in a manner which maximizes the benefit to the customer and/or the efficiency of the program. Organizations are permitted to balance these factors and determine spending order on a

case-by-case basis and in consultation with the Office of Planning and Budget, where appropriate.

V. Approval

Agency	Approval Date
Office of Planning and Budget	6-23-08
State Accounting Office	6-23-08

VI. Revision History

Version	Date
1.0	06-23-08