



# 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
02.01.0501	Budget Amendments	Budgeting of Federal Funds from Another State Agency	July 1, 2008	1.0

## I. Purpose/Scope

The purpose of this policy is to explain the amendment process for receipt of federal funds from another agency.

## II. Background

The Appropriations Act provides that Federal funds are continually appropriated in the amounts and for the purposes federally authorized. These funds are received for a particular purpose, activity or expenditure. Occasionally, federal funds are transferred to other state agencies that provide support services.

## III. Policy

- A. Federal funds received directly from the federal government should be amended into the budget as Federal funds (Federal Funds Restricted – Direct [accounting funding sources 10xxx through 29xxx]).
- B. Federal funds received from sources other than the federal government should be amended as Federal funds if the receiving agency is required to comply with the original grant or other financial assistance requirements (Federal Funds Restricted – Indirect [accounting funding sources 30xxx through 39xxx]).
- C. Federal funds received from sources other than the federal government should be amended as “Other funds” if the receiving agency does not have to comply with the original grant or other financial assistance requirements, i.e., the agency is merely a vendor.

## IV. Procedure/Guidelines

Agencies should reference the current year AOB/Amendment Instructions for additional information and specific procedures for amending Federal funds received from a source other than the federal government.

## V. Approval

<b>Agency</b>	<b>Approval Date</b>
Office of Planning & Budget	5-7-08
State Accounting Office	5-7-08

## VI. Revision History

<b>Version</b>	<b>Date</b>
1.0	3-3-08