10.10.101 VALID OBLIGATION CRITERIA FOR ENCUMBRANCES

(1) The district may encumber current year appropriations for valid obligations existing as of June 30th. Encumbrances outstanding at year end shall be added to current year expenditures to arrive at the budgetary basis expenditures for the year. Expenditures shall be reported on the trustee's financial summary using the budgetary basis.

(2) Criteria for determining whether a valid obligation exists are as follows:

(a) The cost of personal property, including materials, supplies and equipment, ordered but not received may be encumbered if a valid purchase order for the items was issued prior to June 30th.

(b) The cost of commitments related to construction in progress may be encumbered if a legally binding contract was signed and effective or a valid purchase order was issued prior to June 30th. If performance under the contract is complete, or virtually complete, the cost of the entire contract should be accrued.

Authorizing statute(s): 20-9-102, 20-9-201, MCA

Implementing statute(s): 20-9-102, 20-9-201, 20-9-209, MCA

History: NEW, 1984 MAR p. 972, Eff. 6/29/84; AMD, 1990 MAR p. 717, Eff. 4/13/90; AMD, 1994 MAR p. 1824, Eff. 7/8/94.