



State of Arizona Accounting Manual

Topic 45 Expenditures, Expenses and Disbursements
Section 48 **Administrative Adjustments and
Capital Projects**

Issued 07/17/15
Page 1 of 1

INTRODUCTION

The State fiscal year begins on July 1 and ends on June 30 each year. State law provides for the payment of vendor claims after the close of the fiscal year when specific criteria are met. All agencies must comply with the following provisions regarding administrative adjustments as they relate to capital projects.

In addition, claims for capital projects are required to be approved by the Chief Engineer prior to payment. (Those claims can now be released by the agency after receiving such approval.)

Additional background information related to this subject matter can be found in SAAM 4545, Prior Period Payments, and SAAM 4546, Fiscal Year End Contracting.

POLICY

1. In accordance A.R.S. § 41-791.01.A.3, capital project claims (including those that are also administrative adjustments), must be reviewed and approved by the Chief Engineer prior to payment. Before submission to the ADOA Chief Engineer for approval, all capital project claims must be approved by the person authorized by the agency to approve such claims. The claims submitted to the Chief Engineer must contain the telephone number and return address of the person responsible for approval. After approval, the ADOA Chief Engineer will return the capital project claims to the agency for entry and release.
2. Some agencies may receive a biennial appropriation in which the first year of the biennial cycle is specifically identified as exempt from lapsing until the end of the second year of the biennial appropriation period. Since this specific appropriation is a continuing appropriation for twelve months beyond the end of the first year (which overlaps the same period of time that the appropriation would normally be available for administrative adjustment), the agency may continue to process payments against this appropriation. These payments can be for obligations of either the first or second year of the biennial cycle. Any administrative adjustments to be paid from a lapsed continuing appropriation must be coordinated with the GAO.
3. The appropriation for the second year of the biennial cycle is a lapsing appropriation at the end of the one year period. The normal administrative adjustment process applies to this second year appropriation. The appropriation for the second year cannot be used for the payment of obligations of the first year (unless it is three hundred dollars (\$300) or less and prior written approval is received from the GAO).