

***Common Audit Finding* | Expenditures Exceeding Budget Appropriation**

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TCA 6-56-203 (a) “...no municipality may expend any moneys regardless of their source...except in accordance with a budget ordinance...”

Expenditures are controlled by department or activity in the budget. Therefore, the budget spending limits are by each department. The budget is established with your budget ordinance and should be amended as necessary.

A common budget mistake is not budgeting for grant expenditures, along with any matching share. Other budget mistakes come from year-end adjustments, particularly accounts payable which occur after June 30.

This series will review the 10 most common audit findings as reported by the Tennessee State Comptroller’s Office. The first part of this series was published in the MTAS E-News June 2019 issue which can be read here: <http://www.mtas.tennessee.edu/newsletters-reports>

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