ADMINISTRATION AND AMBIGUITY: A STUDY OF THE ROLES AND ROUTINES IN THE BUDGET EXECUTION PROCESS

by

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(ABSTRACT)

The micro-level of administrative processes is in essence a set of interlocked roles and routines. Generally, such processes are viewed as neutral instruments and also of trivial importance. Contrary to such a view, this dissertation argues that at the micro-level, roles and routines, far from being simple and clear, turn out to be complex and ambiguous. This is because their interaction involves different institutional rules, agency norms, information, and cognitive orientations that need to be continuously accommodated in a seamless web of implementation. The creation and retention of ambiguity is conceived of as a natural outcome of such accommodation. This dissertation explores such a possibility in the role-routine interactions involved in the execution phase of the budget process. Budget execution is widely held to be a control process. But the nature of such control is far less straight-forward and far more complex than is commonly assumed. The dissertation explains the management of such complexity in terms of the retention of ambiguity in the control processes of budget execution.
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INTRODUCTION: SCOPE, METHOD, AND JUSTIFICATION OF THE STUDY

This dissertation pursues a subject that long has excited my intellectual curiosity. It seeks evidence of "ambiguity" in administrative processes and endeavors to understand its status and function. Ambiguity is something that we all have experienced, but as a conceptual issue it nevertheless remains a peripheral concern. This is as true for philosophy as it is for administration. "Philosophers," notes Atlas (1989):

have given far less attention to ambiguity than its central employment in their reasoning would seem to require (p. 151).

Addressing social scientists, Merton (1976) similarly notes:

although the social relations between persons have inevitably been drawn into the psychological analysis of ambivalence, they have not been made central to it. Social relations remain peripheral to the analysis. They are taken as facts of historical circumstance rather than examined in terms of the dynamics of social structure to see how and to what extent ambivalence comes to be built into the very structure of social relations (p. 4).

Responding to such admissions, this study employs ambiguity as its central concept and points to the need for viewing it differently. Rather than considering ambiguity as simply dysfunctional, as is commonly the case, ambiguity is shown here to have functional consequences for maintaining the institutional stability and organizational legitimacy of the budget execution process in agencies.
One point that needs to be mentioned at the outset is that "ambiguity" here is treated as an orienting and explanatory concept and not as a normative or scientific one. Therefore, it does not compete with or denigrate the normative claims of rationality. In this sense, ambiguity stands alongside concepts like "slack," "redundancy," "muddling-through," and "buffering." Today the importance of these concepts for understanding administrative processes is obvious. But before they received analytical clarification, their significance not only went unrecognized, but they also carried negative connotations in describing the administrative process.

Ambiguity presently retains an obscure and negative status, although a handful of researchers have begun to address its conceptual importance. Given this recognition, available treatments of ambiguity emphasize the cognitive and psychological dimensions of individual actors. But whether ambiguity is an attribute of institutional dynamics is not directly tackled. The theoretical task of this study is directed precisely to this end: To consider the status of ambiguity as an unintended outcome of interactions in administrative processes.

A recent study by March and Olsen (1989) deals with ambiguity in the context of macro-institutional processes. They place ambiguity as a contingent and to some extent a
strategic outcome. For instance, they note:

[R]ules and their applicability to particular situations are often ambiguous. Individuals have multiple identities. Division of labor sometimes breakdown. Situations can be defined in different ways that call forth different rules. Rules are constructed by a process that sometimes encourages ambiguity (p, 24), [My emphasis].

In their work, March and Olsen argue that, ambiguity emerges from the ways institutional processes function. One instance of how this occurs, is the way institutions achieve coordination by uncoupling the components of a problem and solving selective parts. Another instance, is the maintenance and activation of a repertoire of procedures and past lessons to address such solutions. From their perspective, ambiguity -- rather than becoming an error inducing mechanism turns out to function in an error reducing capacity. But whether such a capacity is an intended or an unintended outcome is not commented upon.

In trying to demonstrate their argument, March and Olsen consider institutions as political actors. Therefore, their focus lie on the macro level of institutional dynamics rather than on the micro level. They explicitly reject the premise of micro-level interactions affecting macro-level outcomes. They point out that, role-interactions are essentially structured and given meaning by the institutions in which they occur. Thus their foci is to show how institutions create what they refer to as "appropriate behavior."
My research is in general agreement with the position taken by March and Olsen. But it differs on two issues. First, I take a micro focus and offer specific observations, while they took a macro focus and offered general observations. Second, while they attempted to show how institutions shape role-interactions, my attempt is to seek how this occurs through the meaning imparted by the role players in a specific administrative process. In this sense, the present research advances the thesis of March and Olsen.

This study examines ambiguity in a realm of administrative process that is conventionally thought of as least likely to retain it, namely, the budget execution process. Therefore, the research strategy can be conceived of as counter-intuitive. Budget execution is generally presented in the literature as a highly formalized, instrumental, and routinized process established to promote rational organizational action. To show otherwise, the research focuses on the micro level of the budget execution process. This involves studying the interactive effect of the roles and routines in the budget execution process.

The significance of this study stems from various concerns. The principal one is the general neglect of micro-analysis of administrative issues. In Public Administration we know that -- between stated goals and actual outcome; between different organizational norms and performance stan-
dards; between different procedural routines and role performance, there is occasional and enduring incongruence or variance that spans the different organizational levels and functions.

For those who are working from the rationalist premise, the existence of incongruence is considered a problem to be solved, while those who are working from a non-rationalist premise consider it a phenomenon to be explained. Different theories compete to account for the incongruence as well as to identify their causes and consequences. A major focus of the organization theory and implementation process literature is to address such incongruence, not only between policy goals and organizational actions, but also the incongruence within organizational actions. Therefore, on the basis of such observations it is reasonable to explore whether budgetary actions retain "fuzziness" beneath the seemingly formal and routine processes of budget execution. Such fuzziness is not simply an aberration of otherwise rational bureaucratic operation, but a reflection of the problematic nature of the administrative process itself.

One source of the problematic stems from the competing institutional rules that bear upon the implementation process, e.g., the competing designs of fiscal control and administrative discretion in budget execution. Such rules are institutional in the sense that they bring stable poli-
tical, economic, and cultural values to bear upon implementation action. For example, budget accounting brings the values of fiscal control, distrust of government, and standard cost to the design of the budget execution process. On the other hand, budget adjustment brings to bear the values of administrative discretion, agency growth, and situational imperatives in the management of the execution process.

The dynamic interaction of such operative institutional rules can be observed in the nexus of information processing procedures and role performance of organizational actors. Therefore, an important question to look at is: How are the different institutional rules accommodated in practice? More specifically, how are accommodations affected through role performance and procedural routines? So far, legal accountability, agency norms, the incentive-sanction structure, bargaining strategies, and management control remain the acknowledged concepts explaining such accommodation. The retention of ambiguity is yet to receive such acknowledgment. The aim of this study is to argue for such acknowledgment. In the context of agency budgeting, Hopwood (1974) points out:

considering the breadth of organizational involvement and the variety of purposes served by budgetary procedures, it is hardly surprising that many highly relevant questions remain unresolved. The problems are important ones, however, because although many of the technical procedures of budgeting are well developed, if not highly sophistica-
Therefore, ambiguity remains one such unexplored area in budgetary research.

In the budget execution process, ambiguity refers to the retention of multiple interpretations of implementation action. Multiple interpretations are considered to emerge from the interaction of different roles and routines, rather than necessarily residing within the roles and routines themselves. For theoretical discussion, two measures of ambiguity are used: Procedural ambiguity, operationalized as the equivocality of information (Putnam & Sorensen, 1982; March & Feldman 1981; Weick, 1979; Swanson, 1978); and Role ambiguity, operationalized as the variation in role identity and task performance (Merton, 1976; Rizzo et al., 1970; Katz et al., 1964).

Within the budgetary field, budget execution remains the least explored area of administrative practice (Burkehead, 1962; Axelrod, 1986). Budget execution is considered an intermediate phase of the budget cycle preceded by the budget preparation and approval phases and followed by the audit phase. It is in the execution phase where agencies draw out their spending plan, struggle with the central budget office over such a plan, spend money, and maintain
accounting records of their spending. Given the strategic and political importance of the budget preparation and approval processes, the inattention to execution is understandable. But once enacted and put into operation, budgeting becomes subjected to the administrative processes and the implementation cultures of specific agencies. Given Public Administration's concern with implementation, the importance of budget execution is self-evident.

At the micro level, the budget execution process is conceived of as a collection of roles locked into implementation routines. Both roles and routines operate on institutionalized information and agency norms that make budget execution to appear similar in form, but different in operation across the different agencies. Available research on budget execution focuses either on the functional description of the process or on its dysfunctions. This leaves the question of institutional dynamics largely unexplored. For instance, Caiden (1985) observes:

budget systems are made up of a number of variables, the most evident of which are formal procedures and classifications of the budget document. But these do not tell the whole story. They may be thought of as the outward manifestations of a series of conscious and unconscious decisions responding to questions regarding access to the budget, the means by which conflicts are resolved, the budgetary time cycle, and the organization of data (p. 500).
Therefore, exploring the actual role performance and procedural routines in budget execution would allow us to go beyond its formal description and tap into the interpretive realms of its institutional dynamics.

The observations on institutional dynamics are based on the interaction of budget adjustment and budget accounting routines associated with the role performance of agency heads, budget officers, and accountants. In the budget execution process, multiple roles converge upon one another -- each with its different information requirements, cognitive orientations, and role rationalizing behaviors. How are such differences accommodated? In what way does the accommodation affect the budget execution process? In addressing such queries, the research questions pursued are based upon two levels of inquiry: conceptual and empirical. The general question addressed at the conceptual level is:

**What is the status of ambiguity in administrative operations?**

The specific question addressed at the empirical level is:

**How does the interaction between the roles and routines of budget adjustment and accounting manifest equivocality of information and variation in role identity and task performance?**

The methodology followed in this study utilizes a middle-range approach. A middle-range approach employs a limited set of interrelated propositions that connect low-level empirical observations with more abstract conceptualizations.
For this study, the interaction of roles and routines forms the basis of low-level empirical observation, while the discussion on the status of ambiguity in administration forms the basis of abstract conceptualization. While the latter is pursued on the basis of observations made by other students of the subject, the former is pursued through the method of account analysis. An account consists of the interpretation that actors assign to events or episodes. Account analysis involves an investigation of the way individuals record and represent to themselves certain properties of the collectives to which they belong. It then tries to trace how they use this knowledge in generating the coordinated actions which continue to reproduce the actions of the collectives more or less accurately (Harre, 1978). Because observations (both theoretical and empirical) are considered as "accounts," the writing style followed in this study frequently uses quotations from other researchers on the subject as well as those of actors in the process.

Five governmental agencies of the United States were selected for the research. For each agency, accounts were elicited from the agency head, the budget officer, and the accounting officer. A total of thirteen officials were interviewed. A semi-structured interview method was employed, each lasting for about two hours. Interviews were tape
recorded and the transcripts were used for analysis. Documents that are analyzed include the quarterly and monthly reports, budget forms, and accounting formats that the agency officials considered important in their budget execution process. In each interview, the officials were asked to narrate the execution process in their agency, their role in it, the routines that they followed, their interaction with other roles, and certain attitudinal questions. (See appendix 1, for the questionnaire used in the study). On more than one occasion, the questions were reframed or supplemented by new questions, or the officials themselves raised new ones. This allowed the accounts to finally emerge as a negotiated understanding of the process between the officials and me. In this sense the research is interpretive. But it is interpretive in a restricted sense, because it is bound by the conceptual argument, and it does not fully explore the linguistic, intentional, and situational aspects of speech and action.

The limitations of this study stem from its methodology as well as the results obtained through it. The middle-range approach has a restrictive scope. Therefore, one needs to be cautious in interpreting the results as general findings of the budget execution process. For instance, a fuller exploration of the budget execution process would require a simultaneous treatment of the linkages between the macro
and micro levels of the process, e.g., the linkage between appropriation politics and agency outcome, or the interaction between the central budget office and the departmental budget offices. Padgett (1981) points to this research agenda in the following way:

the structure of decision-making within the multiple levels of the bureaucratic complex must be taken seriously for any understanding of the translation of political, economic, and social inputs into state expenditure outputs (p. 121).

The study is also limited in not utilizing fully the information processing approach. For instance, it leaves out the study of schema structures, information filtration, or communication overload. Therefore, findings on the equivocality of information remain inconclusive. On a more practical level, the lack of follow-up interviews makes the account analyses subject to amendments, which can change the meaning imparted to the accounts. As the accounts are also a negotiated outcome, my knowledge of the execution process has influenced the interpretation of the accounts. Thus the description of the process may carry the limitations of my knowledge of budget execution prior to the interviews. Furthermore, not all agency officials fit exactly with the role categories. This may be considered a strength in the sense of showing the stability of roles, despite the official titles held. All these limitations to some extent weaken the arguments made, but they do not undermine its thrust or im-

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port. This is because the middle-range approach and the interpretive method followed within that approach, do not seek any general fact finding or try to establish the objective certainty of those facts. All it seeks to establish is the plausibility of the thesis, so that the inquiry may further continue. In other words, how far the integration of the conceptual and practical understanding of administrative practices is achieved is the moot point. In this sense, the approach is affirmative and not based upon the falsification theory of scientific methodology.

Finally, given the absence of a paradigmatic approach to study administrative processes or budget execution, this study needs to be seen as exploratory. This is because it attempts to move away from the purely descriptive or prescriptive approaches that are commonly encountered in administrative research. The focus here is not on how budgeting and accounting can be made more congruent or to document the variance between amounts appropriated and actually spent, but to explain why incongruence needs to be seen as the unintended outcome of institutional dynamics. Therefore, although the research is on budget execution, its focus is on roles and routines, and not on budget variance and outlay. The research is an attempt to bring the concept of ambiguity down from the macro analysis of organization or policy to the micro analysis of an administrative process.
PART A

SPECIFYING THE RELEVANCE OF THE STUDY AND THE RESEARCH STRATEGY FOLLOWED

In this part, I discuss the relevance of my study -- for understanding both the administrative process and budget execution as one such process.

The first chapter deals with the question of relevance in the context of the foci and approaches in the literature on budgeting.

After specifying in what ways this study aids our understanding of the budget execution process, I then proceed to identify its methodological locus and the research strategy that is followed. This is the topic of Chapter II. The strategy essentially involves a middle-range approach, that links the theoretical with the empirical observations.

The linkage is developed through analyzing the accounts of both the students (Part B) and practitioners (Part C) of budget execution.
CHAPTER I: REVIEW OF THE LITERATURE

In this chapter I shall discuss the place of the study in the constellation of available studies dealing with the general subject area. The chapter is organized into three sections. The first section discusses the focus of the literature on budget execution. The second section discusses the literature dealing with the nature of incongruence in budgeting. The third section discusses the literature that uses ambiguity in its study of administration.

In the field of budgeting, we read much more about budget formulation and approval than budget execution and adjustment. Research in budgeting has mainly probed into the budget formulation process or the aggregate impact of the budget on the economy and vice versa, or the determinants of expenditure levels. In fact, budget formulation in many ways stands for what budgeting is all about. The emphasis on budget formulation not only reflects the strategic importance of expenditure levels, it also reflects the disciplinary foci that are operative in the field. Political scientists who are generally interested in revealing the politics of the process and economists who are interested in solving the problems of optimal resource allocation have dominated the field. Given the strategic importance of budgets the foci on politics and economics are understandable. But once enacted and put into
operation, the budget becomes subjected to administrative actions and the administrative sub-culture.

The effect of budget execution on the budget process, particularly the extent of transformation effected in the appropriated budget, has not been subjected to systematic documentation. Studies of the budgetary process (when they deal with budget execution) simply acknowledge such effect. For instance, Axelrod (1986) notes:

budgetary literature tends to minimize the significance of budget implementation.... It concentrates on the changes in base budgets and increments between fiscal years, but overlooks the major adjustments within the fiscal year even though they alter budgetary outcomes significantly. In some governments the changes within a fiscal year may be as great as, or even greater than, changes between fiscal years (pp. 169-170).

There are few estimates to substantiate this view. For instance, a GAO study estimates that in FY 1978, for the fifty largest appropriation accounts, the actual outlays differed from the budgeted outlays by $35 billion (Quoted in Axelrod, 1986; p. 173). In another study the GAO estimates that "in FY 1985 federal agencies on the aggregate underspent $156.8 billion of the appropriated amount" (Axelrod, 1986; p. 173).

Given these facts on the budget process at the federal level, one may argue that, given the practice of balanced budgeting at the state and local levels, such deviations are a rarity. But as Hale and Douglas (1977) found out in their research, such transformations are very much part of the state
budget process. The primary mechanisms through which transformations occur have been identified by both writers to consist of: transfers, reprogramming, supplemental appropriation, and cash management routines. Therefore, rather than simply being the neutral tool of implementation, the budget execution process has a dynamic of its own.

From this perspective, managing budget execution is as important an outcome of the budgetary process as that of allocating scarce resources to public policies. Yet, the agenda articulated by V. O. Key (1940) continues to dominate research on the budgetary process.

Key argued that the focus on the "mechanics of budgeting" diverts attention away from the basic budgetary problem, namely: "on what basis shall it be decided to allocate X dollars to activity A instead of activity B?" (p. 62). The determination of the rules of allocative efficiency from then on proceeded along three research traditions: Public Finance, Welfare Economics, and Management Science.

In general, these approaches assume budget execution to be the translation of the derived decision rules into rational administrative practice. In contrast, the present study argues that budget execution cannot be seen as the simple translation, or the extension of the political or economic decisions, and that an administrative focus needs to be added to the prevailing conceptions. To address this, a refocus on the
mechanics of budgetary decision-making is required: the reverse of what Key argued. In fact, students of budgeting have identified budget execution as a neglected domain of research in budgeting.

As early as 1941, the Committee on Public Administration noted that:

much of the available literature about budget administration has concentrated its interest upon budget preparation and enactment, only secondary attention has been given to the problems of budget execution. Yet here is a field of vast importance with many ramifications (Pitsvada; 1983, p. 84).

Over the years this same neglect has been identified by scholars in the field (Burkhead, 1956; Fisher, 1975; Fremgen, 1978; Schick, 1981; Premchand, 1983; Axelrod, 1986). For instance, Schick (1982) notes:

There is one financial area which Congress knows very little about and the General Accounting Office knows little about, and I shall add, the Office of Management and Budget knows little about and that area is, how the money is spent by agencies after it is made available by Congress (p. 171).

The same pronouncement also applies to the state and local level budget execution (Anton, 1966; Hale & Douglas, 1977).
Section 1: Studies on Budget Execution and the Focus of this Study

Available studies on budget execution are few and fragmentary. For instance no bibliography or literature review exists on the subject. In general, published writings are in the form of either a text chapter or a journal article. In the following matrix, I have categorized the available literature into four analytical groups.

<table>
<thead>
<tr>
<th>Functional Locus</th>
<th>Behavioral Locus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Macro level focus</strong></td>
<td></td>
</tr>
<tr>
<td>Crecine (1969)</td>
<td>Steiss (1972)</td>
</tr>
<tr>
<td>Moak &amp; Hillhouse (1975)</td>
<td>Danziger (1976)</td>
</tr>
<tr>
<td><strong>Behavioral Locus</strong></td>
<td></td>
</tr>
<tr>
<td>Buck (1929)</td>
<td>Anton (1966)</td>
</tr>
<tr>
<td>Schick (1964)</td>
<td>Hofstede (1968)</td>
</tr>
<tr>
<td>Dunbar (1971)</td>
<td>Hale (1975)</td>
</tr>
<tr>
<td>Howard (1973)</td>
<td>Hale and</td>
</tr>
<tr>
<td>Herbert et al. (1982)</td>
<td>Douglass (1977)</td>
</tr>
<tr>
<td>Pitsvada and</td>
<td>Fremgen (1978)</td>
</tr>
<tr>
<td>Howard (1986)</td>
<td>Draper and</td>
</tr>
<tr>
<td></td>
<td>Pitsvada (1981)</td>
</tr>
</tbody>
</table>

Figure 1: Matrix of the Budget Execution Literature.

In this matrix, macro and micro refer to the levels of analyses adopted in the studies. The macro level constitutes an analytical perspective that is premised upon the concept of programmed action or "automaticity," as Lerner terms it. At this level, organizational actions are viewed as based upon
the hierarchically oriented routines and constraints, where action is evaluated for its compliance with rules, or what Lerner terms the "relations reinforcing or reestablishing effects" (1986, p. 465). In budgetary terms the macro approach describes the formal requirements of an integrated top-down control process. The micro level constitutes an analytical perspective that is premised upon the concept of discretionary action, which Lerner terms "combined intentionality." At this level organizational actions are viewed as a "problematic outcome of encounters among autonomous actors" (1986, p. 465). In budgetary terms the micro approach describes the intended and unintended behaviors of actors. Given this distinction, studies that describe budget execution in terms of its formal control properties are categorized as having a functional locus, while studies that describe the process in terms of budgetary actors and the strategies they pursue are categorized as having a behavioral locus.

Based on the two perspectives, four different approaches can be identified: Macro-functional, Micro-functional, Macro-behavioral, and Micro-behavioral.

In the macro-functional approach, budget execution is presented as a rational instrument optimizing the appropriated funds. In this endeavor, budget procedures are seen as neutral instruments of implementation. Actors' performances are treated as of peripheral concern, and intra-organizational
relations are considered congruent as long as they serve overall system viability.

In the micro-functional approach, the emphasis is placed on formal authority structures and an integrated administrative system. For instance, as early as 1929, Buck specified the prescriptive requirements of "good budgeting." These include the centralization of executive authority, the careful scheduling of anticipated income, devising of work-plans and definite allotment according to such a plan, and an integrated financial plan that emphasizes prior control of disbursements. The literature in this approach focuses on efficiency, with accounting procedures conceived of serving as neutral instruments of budget control. The basis of neutrality stems from the conventional notion that such procedures objectively report the flow of funds and the efficiency of their transactions (Razek & Hosch, 1985; Henke, 1983). In this approach the debate whether budget execution should be more control oriented or become flexible is ongoing, with the case for more control as the dominant mode of argument (Anthony, 1965; Dunbar, 1971; Herbert et al., 1982). The argument is made in behalf of appropriate accounting standards (meaning, the Generally Accepted Accounting Principles) and reforming existing accounting practice in accord to such standards (Chua, 1985; Tierney & Calder, 1985; Wallace, 1985; Premchand, 1983; Anthony, 1980). For instance, Anthony and Premchand suggest
that the financial statements of a government can be and need to be constructed according to the principles that operate in the corporate sector. On the other hand, the case for more flexibility is made in favor of better adaptability of the budget to the resource scarcity and environmental contingencies that are characteristic of the execution process (Howard, 1973; Fremgen, 1978; Draper & Pitsvada, 1981; Pitsvada, 1983).

In the macro-behavioral approach, the focus is on the generic or formal role description of the budgetary actors. The thrust of this literature is to discern the determinants of decision-making for a predictive theory of allocative decisions (Hartle, 1976; Crecine, 1969; 1985). The agency is considered a homogenous entity that acts on the basis of standard operating procedures and organizational incentives to facilitate organizational growth. The interaction between formal roles and standard procedures is shown to serve the functional imperatives of the organization, whether they be control or growth. Rather than focusing on legal or accounting controls, in this approach control is treated in behavioral and political terms. The propensity to create budgetary slack is one instance of political control.

In all three approaches, budget actions are conceived of as simple acts of rule following and role maximizing behavior. No attempt is made to take into account the possibility of any incongruence between formal role requirements and actual role
performance. Nor is there any attempt to explain how the interaction of procedures and roles succeeds in maintaining the functional imperatives, or how uncertainty is absorbed into the process. This leaves open the question as to how budget strategies or games are actually realized through role performance and routine work. Schick points to this, saying:

A budget's greatest successes are not won through open warfare but through routine obeisance to its dictates. For a budget process to be effective, constrained parties must accede to it much more often than they challenge it (1980, p. 361).

In his study, Schick identifies the constrained parties as institutional actors which include the President, the Legislative Committees, OMB, and the Executive Departments. Even at this macro level, the dynamics are yet to be explained. In contrast, the present study identifies the constrained parties also as institutional actors, but operating at the micro level of the budget process (e.g., agency heads, budget officers, accountants). Given that the macro-level dynamics are yet to be explained, this study can be seen as a beginning effort to address the issue starting with the micro-level dynamics.

The micro-behavioral approach comes closest to the issues addressed in this research. One of the shortcomings of studies in this cluster, except the one by Anton (1966), is that they focus on individual actors and not their interactions. No attempt is made to generate any interpretive account of the actors themselves. In this respect, the present study can en-
large the scope of the micro-behavioral approach. The study by Anton is considered a point of departure. Anton, in his study on the politics of state expenditure, explicitly utilizes a micro-behavioral approach. The difference between his approach and the present one lies in the questions addressed. While Anton gives more emphasis on the formulation and approval side of the budget, this study is exclusively focused on execution.

In his analysis Anton sought to reveal the political aspects of budgetary action, while the concern of the present study lies in studying the nature of ambiguity in role-routine interactions. Role-routine interactions, as Anton notes:

permits them (budgetary actors) to act within the framework of a well defined subculture of their own. To the extent that maintenance of the organizational status quo is problematic, as is sometimes the case, the rules of this subculture assume an importance that can hardly be exaggerated (p. 49).

In the behavioral literature, most studies on budgetary roles focus on the motivational effects of budget standards (Argyris, 1952; Sterdy, 1968; Hofstede, 1968). For instance, Sterdy concludes that management should simultaneously set high and unattainable budget levels to motivate individuals to achieve the greatest efficiency. By "unattainable" is meant that the discrepancy between aspired costs and the actual cost cannot get below the point where budgeteers feel discouraged to attain the targets. In actuality, such standards, when they are effective, become meaningful in the context of the
budget sub-culture rather than as a set of objective indicators. That such sub-cultural rules can emerge from the accommodation of competing institutional, organizational, and situational norms has not been subjected to inquiry, at least not in budget execution.

Section 2: Studies on Incongruence and the Focus of this Research

Most studies of budget execution recognize the incongruence between budgeting and accounting (Buck, 1929; Burkhead, 1956; Caldwell, 1978; Harmer, 1981; Hayes et al. 1982; Flamholtz, 1983; Gordon and Sellers, 1984; Thompson and Jones, 1986). For instance, Burkhead notes:

The close relationship between budget execution and government accounting very often permits the latter to dominate the former ... not only does budget execution come to be dominated by accounting considerations, but the whole process tends to freeze into rigid routines (p. 350).

An opposite view arguing for more and better control techniques to bridge such incongruence is offered by the Comptroller General, who notes:

Federal finances are managed through an elaborate structure of decision processes and information systems. Many of these processes and systems, now obsolete, face ever-increasing difficulties in coping with the demands placed upon them.... Budgeting, accounting and management information systems often yield data that are unreliable, inconsistent,
and all too often irrelevant (Quoted in Axelrod, 1986; p. 244).

Incongruence within the budget cycle has also been recognized (Fisher, 1975; Hale & Douglas, 1977; Axelrod, 1986). For instance, Axelrod writes:

The budget that has been actually implemented differs significantly from the budget proposed by the administration and the appropriation bills approved by the legislature (p. 169).

While Burkhead attributes incongruence to the domination of "fiscal controls," Axelrod attributes it to "a variety of reasons." In fact, the whole literature on this issue can be articulated around these two attributions.

Those who see incongruence emanating from fiscal control, approach it, by suggesting frameworks and techniques for making budgeting and accounting isomorphic. The PPBS approach attests to this aim. On the other hand, those who attribute incongruence to various contingencies, approach the issue by forwarding explanations based on organizational politics and the information processing behavior of budgeteers. The only commonality among the latter approaches lies in their focus on the actual processes as compared to the prescriptive stance of the former. Thus, the literature on incongruence can be organized along a continuum -- ranging from the traditional to the emergent approaches, (Figure 2).
The traditional approach, built upon the foundation of fiscal control, views the budget as quantitative expressions of resource allocation along the rational decision-making process (Ijiri, 1965; Dunbar, 1971; Anthony & Herzlinger, 1976; Herbert et.al, 1982). For instance, Dunbar views the budgetary control system as a "hierarchically linked combination of a goal setting and goal achieving machine" (p. 88). Consistent with this approach, any modifications in the budgetary process should establish more complete, objective, and rational control over the budget process.

However, the traditional approach also recognizes the contingency design for budgetary control. For instance, Burns and Waterhouse (1975) argue for such a design. Their basic idea is that "tight" control systems should be used in centralized organizations facing stable and simple environments, while "loose" control systems should be used in decentralized organizations facing dynamic and complex environments.
Although insightful, their observations pertain to corporate rather than public budgeting. In the context of governmental budgeting, Thompson and Jones note:

Control system design should be matched to circumstances. Increasing costs and homogeneous outputs imply one kind of design, decreasing costs and heterogeneous outputs another (1986, p. 559).

Despite the recognition of the necessity for contingency designs, the practice of budget execution appears to retain a total control orientation. Schick (1978) observes that in public budgeting control is the uniform and enduring feature of the process. He even characterizes this feature as "the triumph of techniques over purpose." Schick notes that:

The language of budgeting manifests the preoccupation with control... This is the way legislators expect them (meaning the budgeteers) to perform, and this is the way they construe their responsibilities... Budget officers, of course, prefer to be regarded as counselors rather than as controllers (p. 99).

In this account, recognition is also given to the discrepancy between the actor's view and the system designer's view of the process. But research in the traditional approach is prescriptive and does not address how this incongruence is actually managed in the execution process. The control perspective that has the widest currency is the one suggested by Robert Anthony (1965) and elaborated in detail in the public management literature (Steiss, 1972; Herbert et al., 1982; Hays et al., 1982).
Anthony conceptualizes the control process as divisible into three levels of organizational hierarchy: the strategic, the managerial, and the operational. Among these three, the managerial and operational controls fall within the execution process. To management control is assigned the function of realizing the efficient and economical accomplishment of organizational objectives. This is to be achieved through the integration of the financial and organizational information systems, e.g., cost accounting by responsibility centers, using full costs, and summary reports showing totals instead of specific items. To operational control is assigned the function of making sure that specific tasks conform to the objective standards of efficiency. This is identified as programmed control that sets rules of prescriptive actions, and allocates resources to produce the desired output at the lowest cost. This perspective is elaborated further in Anthony and Herzlinger (1975). They suggest the introduction of cost accounting, appropriate cost-benefit analysis, responsibility accounting, variance accounting, accrual accounting, and unit price charges as basic mechanisms needed for an efficient and effective control system. In fact, accounting is identified as the principal mechanism of control. In this regard, the traditional view holds that government accounting should closely resemble commercial accounting practices (Anthony, 1980; Premchand, 1983).
The traditional view fails to consider the argument entertained in the emergent view -- that accounting controls may operate as an extension of the social control functions of the political economy. Such effects are masked by the "apparent neutrality" for which accounting techniques are valued. Such valuation or interpretation thus legitimizes and reinforces the social control process on a continuing basis (Hopwood, 1983; Tinker, 1984; Richardson, 1987; Cooper & Hooper, 1987). Thus Gordon and Sellers (1984) note:

Accounting systems are not neutral as to their effect on public policy process and recognition of this fact is long overdue (p. 283).

The emergent view of accounting in organizations takes issue with the idea of control techniques being neutral and rational. Theorists have begun to see budgeting and accounting as socially constructed phenomena rather than simply a technically rational function (Hopwood, 1983; Tinker and Lehman, 1987; Morgan, 1988). The emergent view recognizes that once a budgeting system is implemented, what it accounts for shapes organizational members' views of what is important, and what constitutes reality (Cooper et al., 1981; Colvaleski and Dirsmith, 1983). In fact, Richardson (1987) identifies accounting as a "legitimating institution" that serves budgeting and gives it the appearance of rationality. Why does accounting function in such a symbolic capacity? Flamholtz (1983), for one, argues that:
The organizational concern for control arises because of the incompatibility of goals among people and the corresponding need to channel human efforts toward a specified set of institutional goals ... (therefore), the components of the control system (job descriptions, standard operating procedures, performance measurement systems) ought not be confused with the system per se.... Statements such as "through budgets, activities of different parts of an organization can be coordinated and controlled" are technically incorrect or at least incomplete (pp. 154,159).

One reason for the persistence of incongruence is attributed by March and Feldman (1981) to the symbolic uses of information. For instance, they describe this, by saying:

information is gathered, policy alternatives are defined, and cost-benefit analyses are pursued, but they seem more intended to reassure observers of the appropriateness of actions being taken than to influence the actions (p. 2).

Although the emergent view offers different insights into the ways in which organizations function, it remains in the developmental stage and is yet to offer a systematic theory. Furthermore, most of the discussions in this literature do not deal with government budgeting or accounting, but nevertheless they offer theoretical arguments to identify the institutional nature of accounting principles and practices. For this study, the principal relevance of the emergent view lies in understanding accounting as a set of "institutional rules" operating at the micro-levels of the budget execution process, and unlike the conventional view of accounting research, the emergent view supportive of the interpretive method of inquiry.

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In a different way there is yet another emergent view that is related to budget execution. This view falls within the micro-functional and micro-behavioral approaches identified in figure 1. For the Federal level, Pitsvada notes:

Budget control and budget flexibility, while they may appear to be at opposite ends of the budgetary spectrum, also can be complementary. Agencies always feel that they need more flexibility in implementing the programs that are funded in the budget. Congress feels that unless it exercises meaningful control over the governmental pursuit it is not performing its most vital constitutional power. Within this framework, workable ground rules for budget execution emerge (1983, p. 100).

The primary thrust of this view is to see budget execution as a flexible enterprise. For instance, Pitsvada argues for flexibility in object classification, appropriations, contingency appropriations, emergency provisions, transfer authority, and reprogramming. The primary reason given for the need for such flexibility is to allow administrative discretion to exert its maximum expertise and for budget execution to respond to program outputs rather than promote a single-minded devotion to cost consciousness in government. Commenting on State budgeting, Howard (1973) notes:

the emphasis in exercising controls is shifting from meeting expenditure limitations to obtaining program results (p. 21).

Most studies in this tradition discuss the advantages or disadvantages of discretion and control techniques in budgeting. The purpose of such discussion is to offer prescriptive
solutions for efficient budget execution. They do not discuss how discretionary practices and control techniques are meshed together without necessarily having dysfunctional effects on budget execution. This is precisely the issue addressed in the present study.

From a micro-behavioral perspective, Samuelson's (1986) approach is closer to the issues addressed in this study. He mentions that studying the coexistence of different conceptions of the role of budgeting adds a significant new dimension to the understanding of the budgetary system (p. 35). But his approach is historical, similar to Hale's (1975) study on the changing role of budgeting under two different gubernatorial administrations. The idea that different budgetary roles co-exist is also the main trust of Schick's (1966, 1971) argument. Schick observes that every budgetary system is a mix of control, management, and planning functions that have accrued over time.

The focus of the present study is different in that it attends to the actor's role in the process rather than the role of the process itself. Therefore, budgeting is approached from the point of view of the sequence of actions performed by the actors rather than those that are implied in the design of the budgetary system. One significant difference of this study with Samuelson's lies in his finding that when budgeteers experience a clear divergence between the
actual and the prescribed role of budgeting they are more likely to behave dysfunctionally, while my expectation is that this is not necessarily the case. In fact, the very gap between the actual and the expected may have functional consequences for the process. In this regard Covaleski et al's. (1986) argument on accounting and budgeting practice is noteworthy:

No one was emotional about the implementation, use, and beyond-control aspects of accounting. Budgeting was there, a fact of life to be accepted and taken for granted (p. 296).

Given the specialization and professionalism of budgetary roles, through what mechanism such an acquiescent behavior is induced is a legitimate question to explore. The literature in budgeting and accounting either raises the point or attributes it to ideological controls, professional norms, or bureaucratic inertia. The present study differs from them in trying to offer an argument utilizing all three attributions in the experiences of the actors themselves.
Section 3: Studies of Ambiguity in Organization and the Focus of this Study

Studies that have used ambiguity as a key concept in their research on organization can be classified into three groups. In the first group, studies discuss ambiguity in the context of organizational decision-making and role-playing (Katz et al., 1964; Rizzo et al., 1970; March & Olsen, 1976; March, 1978; Lerner, 1978; March & Feldman, 1981). In the second group, studies discuss ambiguity as a property of organization behavior (Cohen et al., 1972; Merton, 1976; Lerner, 1978; Weick, 1979; Lerner & Wanat, 1983; Eisenberg, 1984; Lerner, 1986; Baum, 1989). In the third group, studies discuss ambiguity in the context of accounting practices of bureaucratic organizations (Hopwood, 1974, Hedberg and Jonsson, 1978; Cooper et al., 1981; Dyckman, 1981; Faircloth & Ricchiute, 1981; Flamholtz, 1983; Macintosh, 1985; Hopper et al., 1987; March, 1987). The purpose of grouping the available studies is not to convey the idea that within each group there is a uniformity of approach or argument.

In the first group, studies differ in terms of the conceptual meaning given to the term ambiguity. In the literature on role performance, ambiguity refers to the degree to which clear information is lacking concerning the expectations associated with a role, the methods for fulfilling known role expectations, and the consequences of role performance. In
the decision-making literature, March (1978) and March and Olsen (1976) consider ambiguity as a decisional situation where there is uncertainty over both causation and future preference. March and Feldman, on the other hand, refer to ambiguity as the symbolic use of information that takes on two or more meanings.

In the second group, Lerner (1978) uses ambiguity to refer to the difference between what actors know and what they presumably would like to know and the implication of this difference for the way decisions are developed and enacted. In the study by Lerner and Wanat (1983), ambiguity is attributed as the equivocality of categories that bureaucracies use to classify their clients. Lerner (1986) on the other hand uses ambiguity as the multiple meanings of power, politics and policy-making that emanates when one moves from the macro to the micro approach in organizational analysis. All these studies point to the strategic use of ambiguity in organizational interactions. Such interactions include reciprocity, authority, jurisdiction, communication, and leadership.

It is only in terms of the equivocality of meaning in organizational information and interaction that these studies have direct bearing on the present research. The point of difference lies in identifying the source of equivocality in the interactive roles and routines. In other words, the focus is on the derivation of meaning rather than on the intrinsic
nature of information, or personality or on the nature of uncertainty in decision-making. The present study also differs in terms of its focus, which takes the study of ambiguity from the generic organizing activity to the micro context of such activity.

In the third group, studies differ in terms of the status of ambiguity in accounting practice. They range from Dyckman's discussion of ambiguity as a form of intelligence to Faircloth and Ricchiute's discussion of the consequences of ambiguity intolerance. Such behavior is said to be rooted in the professional role identity of accountants (Dermer, 1973; Norton, 1975). This orientation stands in opposition to the variety of role-rationalizing behavior of budgeteers. Such variation is captured in the guardian orientation (Appleby, 1957), advocacy orientation (Natchez & Bupp, 1973), political orientation (LeLoup & Moreland, 1978), and expert orientation (Bell, 1985).

Studies have also identified a variety of contexts where ambiguity is displayed in accounting. For instance, Hopper (1987) locates it in role incongruence. He mentions that:

"Accountants often face a dilemma because they are supposed to fulfill two conflicting roles simultaneously. First they are seen as watchdogs for top management. Second, they are helpers for all managers (p. 440).

A different treatment is accorded by Cooper et al. when they locate ambiguity in the multiple functions of accounting."
For instance, as a language system and culture, ambiguity sustains and influences the structure of organizational control, and as a legitimizing function it maintains the economic logic for evaluating administrative performance. The common ground of studies in this group lies in considering ambiguity as an objective feature of institutional organizations. In doing so, they approach the issue from a deductive standpoint.

The present study shares with them the view of organizations as contending terrains, but the contentions are approached not in terms of any political theory but in terms of the terrain of interactive roles and routines. Finally, given the lack of definitional agreement on the term, the present study utilizes the central perspectives of all three groups but seeks their application at a micro-administrative context of the budget process.
CHAPTER II: METHODOLOGY OF THE STUDY

The choice of method in studying a topic is not only subject specific but is also dependent on the questions asked. Particularly in Public Administration, the variability of method is rooted in the eclectic nature of the field itself (Cleveland, 1979). This suggests that the choice of a methodology is circumscribed by the nature of the topic, the available knowledge on the topic, and the practical constraints of the study. On the question of "method," Caldwell (1968) notes:

> method is not solely, or even most importantly, a matter of technique. It is first and foremost a way of thinking (pp. 219-220).

Commenting on the methodological choice in social science, Machlup (1978) takes the point further. He remarks that methodology constitutes:

> the reasons behind the principles on the basis of which various types of propositions are accepted or rejected as part of the body of ordered knowledge in general or of any special discipline (pp. 55-56).

Based on these observations, the discussion in this chapter is divided into three sections. The first section lays out the argument for the method adopted in this study. The second section discusses the middle range approach used and the nature of evidence that is involved. The third section discusses the empirical research conducted through semi-structured interviews and account analyses.
Section 1: The Line of Argument for the Chosen Method

Simply stated, this study can be categorized as theoretical and qualitative. In their study on the research methodology in Public Administration, Perry and Kraemer (1990, p. 348) point to the distinction between methods focused on the "practice of administration" (which deals with the problems of particular organizations or programs) and methods focused on the "study of administration" itself. This study then falls in the latter category.

The focus on the study of administration, particularly as it relates to budget execution, finds support in the small literature on the budget execution process. For instance, Draper and Pittsvada (1981) point out that:

> each agency has its own rules and regulations governing budget execution. Thus, whatever focus there is on the field tends to be on the unique aspects of the subject matter as it relates to individual agencies rather than as elements of commonality (p. 15).

Therefore, by making the budget execution process the object of study, one can begin to discern such elements of commonality. Writing in the general context of the budgetary process, Wamsley and Hedblom (1983) point out that,

> we need a more discriminatory theory built around a classification of types of budget processes differentiated on a variety of potential bases ... that encompasses the variety of purposes that actors in the process pursue. But before we can get to that kind of descriptive/explanatory theory, we must first comprehend why our existing "knowledge" stands in the way (p. 346).
One pre-requisite for "unscrambling things," as they put it, is to formulate descriptions of the dynamic fluidity of the process. They write, "it is the 'wild variables', the relatively small margin of uncertainty that matters" (p. 354).

Therefore, simply identifying this study as theoretical and qualitative does not do justice to the topic under study. Therefore, I need to elaborate on the reasoning behind the choice of the method.

The method chosen for the study is a middle-range strategy that allows conceptual modeling of micro-level observations, and then linking them to the macro abstractions of the process. The linkage is built upon my interpretation of the observations made by other students of the subject as well as the views of the practitioners. The interpretive power of conceptual modeling is demonstrated in Allison's (1971) classic study on decision-making. Allison shows how the knowledge of a subject is a doubly interpretive act: first, in the choice of model, and second, in the observations made through the chosen model. Similarly, commenting on the research findings in budgeting, Gist (1982) notes:

one difference in the findings of the incrementalist budgetary theory of Davis, Dempster and Wildavsky and the competition theory of Natchez and Bupp have been wrongly attributed to the different unit of analysis. The differences in the findings of these theorists depend instead on the particular theoretical construction of budgetary behavior and the budget measures chosen (p. 859).
In fact, the alterations of conceptual lens have construed budgeting either as a strategic tool or as a politico-administrative ritual (Wamsley and Hedblom, 1983). Wamsley and Hedblom point to the importance of the distinction between macro and micro level observations. The failure of doing so, they note, has led academic arguments on the subject into a conceptual muddle.

To sum up this line of argument, the choice of the middle-range approach as the conceptual lens for this study is based on its potential for articulating certain theory-laden observations on the budget execution process, and then relate them to a limited set of empirical observations at the micro-level of the process.

The micro perspective is adopted not only to facilitate a delimitation of the inquiry but also because it allows us to focus on organizational actions that are rooted in institutional patterns. The focus is on observing the processes which govern the responses people make to their jobs while at the same time seeing them as a problematic outcome of encounters among the role players (Garfinkel, 1967; Roberts & O'Reilly, 1978; Lerner, 1986; Zucker, 1988). For instance, Zucker notes that, in such a focus:

the institutional aspect is not portrayed as a matter of individual interest, but as essential for interaction to continue. In part, this microorder consists of a replication of the wider social order, such as the borrowing of role identities from other
settings. But it also involves the creation of new order, such as specific judgement standards. As long as microorder reproduces macroorder, the multiple levels reinforce each other [sic,] (p. 41).

Lerner (1986) mentions that in the micro approach:

>[t]he actor's perspective becomes the starting point. That actors have perspectives is crucial to the analysis. Organizational action is the complex product of their collective actions, not an independently explainable phenomenon predicting actors' behavior.... [Furthermore,] the micro view invites a distinction between intended and unintended consequences. In contrast, the macro view makes no such distinction and indeed could not make sense of such a distinction (p. 466).

The micro approach does not require a large number of cases in order for observations to make sense, particularly, when it involves institutional organizations. This is because, as Weick (1983) notes:

Homogeneity increases as norms become stronger, as training programs lengthen and intensify, as socialization becomes more coercive, as jobs become harder to find, and so on. Thus increased pressures toward homogeneity increase the relevance of micro analysis (p. 19).

In the interpretive mode, micro-level analysis involves studying processes in terms of interactional units engaged in the creation of coordinated outcome. The fitting together of individual lines of action provides access to the definitions and interpretations surrounding the outcome. Therefore, Denzin (1970) notes:

this feature of joint action suggests that interaction may have a variable career. That is, observers cannot photograph the beginning phases of an encounter and assume that agreements reached in that
phase will remain unchanged until the end.... While participants may agree initially on definitions, rules, conduct, and images of self, these definitions may be so vague as to permit conflicting points of view to later emerge that challenge the entire basis of joint action (p. 264).

Similarly, Yarwood and Nimmo (1976) observe:

the language and concerns of role-taking encourage the researcher to focus on the dynamic character of activity in formal organizations. Role-taking is conceived of as a creative endeavor. It is assumed that roles continually undergo change and that role behavior is always tentative (p. 339).

In the context of organizations, actors are primarily role occupants, and joint action is essentially the interaction of roles and routines. Therefore, studying such interaction offers a means of utilizing the interpretive mode of inquiry at the micro-level of organizations.

In the handful of studies dealing with ambiguity, researchers have also identified the centrality of role interaction as a means to access the micro-institutional nature of organizational performance (Merton, 1976; Lerner, 1978). For instance, Merton notes:

although the social relations between persons have inevitably been drawn into the psychological analysis of ambivalence, they have not been made central to it. Social relations remain peripheral to the analysis. They are taken as facts of historical circumstance rather than examined in terms of the dynamics of social structure to see how and to what extent ambivalence comes to be built into the very structure of social relations, [sic.] (p. 4).

Furthermore, in the literature on middle-range approach, role theory (Beres & Price, 1980) and equivocation of information
(Gilfillan, 1980) have both been identified and studied as concepts appropriate for middle-range research. These views on the micro approach can be identified as an emergent perspective on research. In the realm of budgeting such a perspective has yet to be explored.

There are supportive views that suggest the fruitfulness of such an inquiry. For instance, in their article titled "Traditional and Emergent Theories in Budgeting," Covaleski et al. (1985) mention that the emergent "perspective emphasizes that shortcomings in budgeting may not be mere oversights, but rather may be inherent in budgetary thought and budgetary practice (p. 296)." In fact, studies on budgeting that emphasize the role-interaction approach have come up with interesting observations on the process. Both Anton (1966, p. 178) and Schick (1978, p. 59; 1981, p. 515) emphasize that it is the interaction between roles and routines which constitute the system of action through which collective decisions are made. For instance, Anton (1966) offers the following clarification:

the terms in which the various actors orient themselves to this situation are provided by a shared set of informational categories which structures a common universe of discourse. Within its terms, categories of objects are identified, criteria of relevance and significance are established, and relationships between objects are structured. Each actor, of course, selects certain categories for special emphasis, in keeping with the requirements of his particular role. But this is done within a framework of thought shared by all participants in
allocative decisions. Such sharing is extremely significant, for it provides the foundation upon which each actor develops a more or less stable set of expectations regarding the actions of other participants in the system.... Thus roles do not spring from anything internal to the individual actor but rather from his perceptions of and expectations about himself in relation to objects and actors external to himself. Since roles are defined according to this complementarity of expectations ... emphasizing the perceptions and expectations of each actor should provide a clarification of the system of action by which the state organization allocates its resources (p. 181).

Given that stability of roles is seen as a joint outcome of expectations as well as the functional requirement of the process, how are the competing values, norms, information formats, and the interpretations of role players continuously managed amidst the endemic incongruence of intent and outcome? The answer to this question offers a possibility for one to go beyond the mere observation of stability and begin to explain it.

In order to arrive at an explanation, a middle-range methodology is chosen to link this micro level observation of stability with the macro level conceptualization of institutional dynamics. But before moving any further, a qualification to the middle range approach needs to be made.
Section 2: The Middle Range Approach and the Nature of Observations Utilized in the Research

The middle-range theory as a method for doing research is described by Merton (1968) as:

intermediate to general theories of social systems which are too remote from particular classes of social behavior, organization and change to account for what is observed and to those detailed orderly descriptions of particulars that are not generalized at all. Middle-range theory involves abstractions, of course, but they are close enough to observed data to be incorporated in propositions that permit empirical testing [sic.] (p. 39).

In general, middle-range theories are applied to the detailed aspects of social systems. Such theories, Merton argues:

are not logically derived from a single all-embracing theory of social system, though once developed they may be consistent with one (p. 41).

These attributes of the middle-range theory have been further revised, particularly on the question of empirical testing and the nature of conceptual modeling. The revisions have taken two directions: the first in the form of more rigorous formulation of operational hypothesis and their subsequent testing (Pinder & Moore, 1979; Gilfillan, 1980) and the second in the form of interpretive inquiry and abstract conceptualization (Pondy, 1980; Weick, 1980). This second direction is referred by Pondy as the middle-range strategy to distinguish this approach from the middle-range theory, which researchers in the first direction subscribe. On this issue Pondy (1980) writes:
The middle-range strategy is a strategy of inquiry that makes use of an intermediate process of theorizing that connects low-level empirical facts with more abstract conceptualizations. We refer to these abstract conceptualizations as root metaphors or fundamental images of the subject matter. Any middle-range theorizing must be interpreted in the context of the root metaphor from which it derives in order to be understood properly (p.64).

The metaphor, which Pondy argues to be underlying the middle-range strategy, is the idea of organization as an enacted environment. Therefore, the distinctiveness of the middle-range strategy lies in its interpretive premise of explanation. But what could be the nature of empirical evidence that is consistent with this premise? How could such evidence also account for the institutional nature of enacted meanings? Finally, given the problematic status of fact-value dichotomy in Public Administration, how can one go about drawing evidence in order to relate it to abstract conceptualization?

One way to address this dilemma, as argued by Mattessich (1978), is to consider institutionalized facts as values. He raises the question, "how could sentences expressing both descriptive and prescriptive contents be categorized?" Using the argument of Searle (1964), he provides the following analysis to address the question.

Statements containing words such as "married", "promise", "home-run", and "five dollars" state facts whose existence presupposes certain institutions: a man has five dollars, given the institution of money. Take away the institution and all he has is a rectangular bit of paper with green ink on it. A man hits home-run only given the institution of
baseball; without the institution he only hits a sphere with a stick. Similarly a man gets married or makes a promise only within the institutions of marriage or promising. Without them all he does is utter words or make gestures. We might characterize such facts as institutional facts, and contrast them with non-institutional, or brute facts: that a man has a bit of paper with green ink on it is a brute fact, that he has five dollars is an institutional fact (p. 50).

Mattessich then goes on to qualify institutional facts as those which carry meanings only within constitutive rules -- by which is meant rules that:

do not merely regulate an antecedently existing activity called playing chess; they as it were, create the possibility of or define that activity. The activity of playing chess is constituted by action in accordance with these rules. Chess has no existence apart from these rules (p. 50).

Similarly, we can say that, words like "efficiency," "discretion," "effectiveness," "fund balance," "debit-credit," "generally accepted accounting principles," and "budget balance" can also be considered as institutional facts deriving their meaning from the constitutive rules of public and private budgeting. In this same line of reasoning, it can be argued that concepts like "redundancy," "slack," and "ambiguity" are also institutional facts reflecting certain constitutive rules of the administrative process. In other words these facts become meaningful only in their context of occurrence, and not in their literal meanings.

But constitutive rules become real only when they become embodied and acted upon. The rules of chess become constitu-
tive only when people take upon the role of chess players and play the game. Therefore, playing chess involves having a repertoire of programmed moves, counter-moves, and novel moves. Similarly, role-playing and role-making as well as following routines and varying routines, also become institutional facts by virtue of their status as constitutive rules of administration. Just like the institution of chess, we also encounter in role-playing and procedural routines a social performance that involves the interaction of competent actors. Such actors bring to the interaction personalities, strategies, and interpretations to carry out the institutional rules in a meaningful and satisficing fashion. From this perspective, the actors' accounts of their performance establish an important basis for knowing the constitutive rules underlying their performance. Therefore, institutional facts need to be understood as interpretations of competent role players, and not simply as objective facts inscribed in the formal position descriptions.

Having established the nature of evidence, the question then becomes, how can such evidence be empirically derived? What method should be used for empirical research which is consistent with the nature of evidence? The answer to such questions leads to the discussion in the following section.
Section 3: Account Analysis through the Method of Semi-Structured Interview

Documentary methods offer the empirical means to collect evidence and link them to abstract conceptualization. One such method which captures both institutional facts and the actors' interpretation of them is professional talk, supplemented by formal reports and written documents, that the actors refer to in such talk.

Talk about one's role is not simply a verbal replay of an event past, but itself is a type of action -- "doing things with words," as Austin (1962) puts it. Talk in an interactive situation has been referred to as an "Account" (Garfinkle, 1967; Scott and Lyman, 1968; Buttny, 1985). Accounts are categorized in many ways -- as excuse, as justification, as narrative, as story, etc. The important point is that accounts carry one's preferred meanings about an event in question. Weick and Browning describe such accounts as narratives (1986, p. 243). Therefore, the words account and narrative are synonymous concepts and can be used interchangeably.

It follows that the way role occupants narrate and represent certain properties of the administrative process can offer evidence for explaining how joint actions continue and remain stable on a regular basis. Accounts are generated through a variety of research tools: interviews, biographies, diaries, journals, participant observations, case studies, and even

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official reports and forms. Given the nature of this study, the semi-structured interview method has been identified as appropriate for "account analysis," along with the study of budget reports, forms, and ledgers.

Account analysis consists of revealing the knowledge of social meanings, situations, and norms invoked by role players in their interpretation and justification of what they do in an episode or event. "In this methodology," writes Harre (1978),

the intensive design is favored over the extensive, that is, detailed studies of individual people selected as typical members of social collectives, and of particular occasions identified as typical examples of kinds of social events, are to be preferred to studies of large number of individuals and of social occasions based upon external manipulations of only one or two variables. Emphasis on the intensive design leads on to a revival of interest in how people understand the social worlds they are creating (p. 45).

Such an intensive design can be operationalized through the intensive interview method. Williamson et al. (1982, p.166), identify such an interview method in the following terms:

interviews involve direct interaction between two parties -- the interviewer seeking information from the interviewee. As in any interaction the ultimate value of the interview depends on a number of considerations, notably:
1. commitment: the degree of interest in both parties in making the interaction mutually beneficial.
2. meaning: the ability of each party to recognize the true intent of the other's actions and statements.
3. flexibility: the extent to which the course or content of the interaction may be adapted to
meet the needs of both parties.
4. assimilation: the ways in which the two parties
digest and interpret the ongoing interaction.

Account analysis through semi-structured interviews
focuses on particular episodes. An episode is a sequence of
actions that have some unity. Such sequences can be structured
by guiding questions, hence the qualifier "semi-structured."
By identifying such questions, the interviewer es-establishes the
parameters for account giving. The actors must address the
sequence of questions specified for the episode. At the same
time, the researcher also negotiates the meaning of such
episodes with the role player on an ongoing basis (Denzin,
1970; Williamson et al., 1982). On this point Tompkins and
Cheney (1983) note:

As an observer, the researcher will be ready to
produce his or her account of the same episode.
Because the same actions can be seen as the perfor-
mance of different acts, the researcher frequently
must negotiate his or her account with the accounts
of the actors. In the course of a moderately
scheduled interview, the actor and researcher
negotiate towards a common understanding of the
act(s) represented by the episode (p. 30).

The interesting point about account analysis is its inclu-
sion of the researcher in the interpretive process. But in
doing so (i.e., negotiating the meanings when needed), the
actors' accounts remain open to two types of modification.
First, a reason that was not considered at the time the actions
were performed may be provided by the actor or inferred by the
interviewer. A second type of modification occurs when an
actor is persuaded that his or her account should be changed. Taking these into consideration, the advantages of account analysis are identified as follows:

(1) Accounts point to the nature of the decision premises or rules that guide behavior. Different actors may articulate them differently, thereby revealing their interpretive stance.

(2) Accounts identify the interactive roles in which the actor engage, both on a regular and irregular basis.

(3) Verbal articulations can be different from those specified in official documents.

(4) Accounts help to explain the nature of the role identification process, both with one's formal position as well with other roles. Therefore, perceptions of articulated roles can vary.

(5) Accounts also help identify the deviations from standard procedures and the actor's reasons for such deviations.

Given these advantages, there are two dangers in account analysis. First, the focal actor may create a false explanation of action, and, second, the focal actor may reinterpret his or her meaning when reconstructing events. Although there are no general solutions to these problems, one way to minimize them is to refuse to accept a single "Yes" or "No" answer from the actor and then probe for the reasons behind such response.

In order to conduct such account analysis on the actors involved in budget execution, I chose five agencies as my research site. It is important to point out the reasons as to why I have chosen agency budget offices over the central budget offices (CBO) or their interaction with agency budget offices.
Budget execution is a joint outcome of the CBO and the agency budget offices. While the CBO plays a prominent role in the allocation and allotment processes, the agency budget offices are more involved with the disbursement, monitoring, and accounting processes. This does not mean that the processes are mutually exclusive or that their jurisdictional separation is fixed. For instance, agency budget offices also sub-allot the appropriations, and the CBO also monitors budget execution. Given that, this study focuses on what happens after agencies receive their allotments from the CBO, the agency budget offices become the natural sites for such inquiry. Therefore, despite the significance of the CBO, I have restricted my observations within the agency budget offices (except when the CBO becomes an integral part of their operation). This restriction is partly made in order to achieve analytical parsimony and partly to attain some sampling uniformity.

Within each agency budget office/unit, three key roles were identified: Agency heads' involvement in budget direction, Budget officers' involvement in budget management, and Accounting officers' involvement in budget accounting. These roles and their functions are further identified with three budget routines: Budget control procedures, Budget adjustment procedures, and Financial accounting procedures. Among the five agencies studied, one was federal, two were state, and two were local budget offices. The rationale for choosing the
research sites is a combination of the need to capture the variability of the process and to operate within the constraints of resources, time, access, and logistics that I faced. A total of thirteen interviews were conducted over a four month period. Although the research design calls for fifteen such interviews, two officials were unavailable during the time of my visit. For each role player the interviews lasted for approximately two hours. Interviews were tape recorded and later transferred into written transcripts for account analysis.

The questions that guided the interviews were initially structured from my readings of the budget execution literature. Four sets of questions were devised. The first set contained the common questions for all the role players. The second set was for the agency heads, the third for budget officers, and the fourth for accounting officers. Questions were later added to or dropped from each set during the course of the interviews and while moving from one interview to the next. Therefore, to some extent one interview influenced the next. The documents mentioned during the interviews, (budget forms, budget manuals, budget reports) were collected for each agency and later analyzed.

The difficulty in analyzing the accounts is partly explained by the reluctance of the role players to express themselves fully. For instance, one official mentioned that:
You know one of the problem of interviewing people like us is that we are the door keepers, so it is hard for us to sit here and say, "Oh..Yeah...," so it's negative in the sense that you have to resist it. Otherwise the whole process is just going to go to pot.

Similar difficulties of gaining complete accounts from the budget officials are noted in the literature. For instance, Edward Lehan (1983), a veteran researcher of the budget process, cautions that:

The researcher must be forever wary in this respect, because how public officials act in allocating may vary greatly from what they report they are doing, perhaps even from what some believe they are doing (p. 17).

Thomas Anton (1966), another keen observer of the process, gives the following account to convey this same point:

So long as an object appropriation is not exceeded or consistently used for improper purchases, there is no particular difficulty in receiving approval for purchases from an account that normally would not be used for such a purchase. Having achieved such resolutions according to his own discretion rather than prescribed rules, the chief officer of the agency will in all probability be hard put to recall the nature of his discretionary judgements within weeks after they have been exercised. And he almost certainly will have no way of recalling them months later, when his budget request is being prepared and defended, (p. 203).

Because the accounts to be analyzed in this research face similar pitfalls, such cautions serve as an important reminder as to the nature of constraints that are endemic to the subject matter itself.
Within the parameters of plausibility, the accounts generated from the interviews and documents then forms the low-level evidence of the interactions between roles and routines in the budget execution process. On the other hand, the conceptual modeling of ambiguity in the administrative process in general and of budget execution in particular forms the basis of abstract conceptualizations. It is the linking together of low level observations with abstract conceptualization upon which this dissertation is built.
PART B

THE NATURE OF CONCEPTUAL ABSTRACTIONS
INTRODUCED IN THE STUDY

Part B of this study builds on the discussion in Part A. In this part, I discuss the theoretical constructs that are used to describe the administrative process in general and the budget execution process in particular.

In Chapter III, I discuss the general properties that characterize the administrative processes, where ambiguity is identified as one such property. This is followed by Chapter IV, which discusses the meaning of ambiguity in terms of its general usages and analytical applications. This chapter also operationalizes ambiguity in the context of roles and routines in the administrative process.

Finally, in Chapter V, I take the operationalization further into the dynamics of the budget execution process. The chapter describes budget execution as a craft, the very nature of which creates and retains ambiguity as an unintended outcome of the process.
CHAPTER III: THE THEORY OF ADMINISTRATIVE PROCESS 
AND THE INSTITUTIONALIZATION OF AMBIGUITY

This chapter presents a conceptual rendition of the administrative process -- in terms of the gradual relaxation of its rational attributes and its incorporation of the non-rational ones.

As mentioned in the methodology, this study utilizes a micro-institutional approach to address the subject matter. Therefore, outlining the administrative process at the micro-institutional level allows the identification of the properties of institutional dynamics, where ambiguity is argued to be one such property.

The discussion is organized into three sections. The first section identifies the generic properties of the administrative process, including those of institutional organizations. The second section discusses the dynamics of roles and routines in the administrative process. The third section discusses the nature of incongruence in the administrative process.

Section 1: General Properties of the Administrative Process

Administrative processes are complex and continuous. What exactly are the properties of such complexity and continuity? To answer this question, first it needs to be pointed out that there is not one but a multitude of administra-
tive processes, and to confound the matter further there are also processes within processes -- some coupled tightly, others loosely in an elaborate network of interactions involving variable sets of rules, roles, routines and cultures. In the micro-institutional perspective, rules are considered to be embedded in roles and routines, and therefore, not necessarily acting as an external constraint on them.

Complexity and continuity are abstract constructs. To understand them, I resort first to the descriptions that existing studies offer. The dominant conception of the administrative process involves seeing it as a purposeful, intendedly rational, and impersonal system of interlocked positions with decision-making responsibility (Weber, 1947). For most students in the field this conception is labeled as "rational," which is the first property of the process. The conventional view depicts rationality to be the primary property of the administrative process. For instance, Waldo (1955) notes:

Administration is cooperative human action with a high degree of rationality...The distinguishing characteristics of an administrative system, seen in the customary perspective of administrative students, are best subsumed under two concepts, organization and management, thought of as analogous to anatomy and physiology in biological system. Organization is the structure of authoritative and habitual personal interrelations in an administrative system. Management is action intended to achieve rational cooperation in an administrative system (pp. 11-12).
In contrast, there is another view which sees the administrative process to be socially constructed, often acting as an instrument of politics, often as a terrain of contested meanings, and often as a legitimizing force of dominant political symbols. This conception is generally labeled as "institutional."

In the Weberian depiction of rationality, the primary property of the administrative process constitutes the breakup of complex decision structures into narrower and narrower sub-decision structures along the hierarchy of authority and the corresponding division of specialized tasks. Through this mechanism, people are assigned to positions and supplied with the ends to be achieved, which are circumscribed by their job descriptions and the specified channels of communication. In this perspective, the administrative process can be understood as a set of functionally related roles following established routines.

Therefore, in the rationalist perspective, the administrative process is generally considered to be a behavioral calculus of ends-means sequences that are functionally specified and objectively monitored. The goals are set to achieve operational efficiency through a constant effort to reduce the ratio between decisional inputs and outputs and generating effects that are predictable. March and Simon (1958) explain the reason for this predictability in the
following terms:

Roles in organizations, as contrasted with many of the other roles that individuals fill, tend to be highly elaborated, relatively stable, and defined to a considerable extent in explicit and even written terms. Not only is the role defined for the individual who occupies it, but it is known in considerable detail to others in the organization who have occasion to deal with him. Hence, the environment of other persons that surrounds each member of an organization tends to become a highly stable and predictable one, (p. 4).

Therefore, clarity in goals, clarity in communication, stability of roles, and certainty in outcome are the values that inform the design of the control and evaluation system of the process. Dunshire notes:

Control processes are the necessary complement of implementation process in the understanding of execution in a bureaucracy (1978:18).

The most predictable control design lies in structuring and influencing the decision premises of role occupants and the procedural routines that they follow. Herbert Simon (1957), who pioneered this view, articulates such control in the following terms:

The behavior of a rational person can be controlled, therefore, if the value and factual premises upon which he bases his decisions are specified for him. This control can be complete or partial, all the premises can be specified, or some can be left to his discretion. Influence, then, is exercised through control over the premises of decision. It is required that the decisions of the subordinate shall be consistent with premises selected for him by his superior [sic.] (p. 223).

This control mechanism, designed to ensure organizational
rationality, is not only a behavioral mechanism within the
task structure, but also a mechanism to institutionalize the
dominant values of society. Simon points out that:

To secure all the advantages, therefore, of exper-
tise in decision-making, it is necessary to go
beyond the formal structure of authority. The
authority of ideas must gain an importance in the
organization, coordinate with the authority of
sanctions (p. 138) [Emphasis in the original].

Therefore, what we see here is a conception of adminis-
tration as a micro-institutional process: integrating the
rational property of organization with the institutional
ones. This conception is further developed in the recruit-
ment and communication patterns in organizations -- where
values, skills, information, and interactions, are harnessed
through job descriptions, manuals, and forms in order to
make behavior functional for the organization. On this
point March and Simon (1958) observe:

Not only can organization communication be detai-
led, but it can be cryptic, relying on a highly
developed and precise common technical language
understood by both sender and recipient (p. 3).

It follows that the control designs for attaining greater
certitude in organizational behavior and outcome lie at the
heart of the rational conception of the administrative pro-
cess. But, as Blau and Meyer (1983) observe, "what has been
taken apart through specialization must be put back together
again" (p. 8). This calls for patterns of coordination,
which constitutes the second property of the administrative
coordination is an essential feature of administration. It usually consists of rules.... Such rules permit the integration of tasks.... Rules do not refer simply to inert materials and tools but to people who act as whole human beings, they never succeed in completely controlling the situation and in directing the organizational activities towards their predefined goals...Rule elaboration with the low level of internalization of organizational goals incites the bureaucrat to accomplish the minimum work required (pp. 59-61).

The accommodation of this reality in the administrative process leads to a variety of strategies that are institutionalized in complex organizations. Perrow (1961) notes the duality of goals as "official" and "operative"; Merton (1940) notes the pervasiveness of "bureaucratic dysfunction" and "tunnel vision"; Bernard (1938) notes the overlaying of the "informal" on the "formal" structure; Wilensky (1967) notes the "distortion and blockage of intelligence"; Hofstedede (1968) notes the reliance on "game playing." The invariant condition for the incongruence between the functional rationality of the administrative process and the actual working of the process is also recognized in this perspective. Simon (1957) mentions it in the following terms:

It is also as true of organizational as of individual behavior that the means-ends hierarchy is seldom an integrated, completely connected chain. Often the connections between organization activities and ultimate objectives is obscure, or these ultimate objectives are incompletely formulated, or there are internal conflicts and contradictions among the ultimate objectives, or among the means selected to attain them.... Nevertheless, what
remains of rationality in their behavior is precisely the incomplete, and sometimes inconsistent, hierarchy that has just been discussed (p. 64).

The depiction of the incomplete working of the process can be shown in at least three lines of argument, along with their central concepts.

The first conception relaxes the condition of rationality by rendering it as "bounded" (Simon, 1957) and its operative mode as "disjointed" but "incremental" (Lindblom, 1959). The second conception introduces "non-rational" attributes of the process through such constructs as: "redundancies" (Landau, 1969; Bendor, 1985), "organizational anarchy" (Cohen et al., 1972), "organizational politics" (Pfeffer, 1981; Sunesson, 1985), and "organizational irrationality" (Brunsson, 1981; Chiehester, 1985; Schulman, 1989). Responding to the inadequacy of the first conception Schulman (1984) writes:

Our models of bounded rationality do not really capture the variable states that organizational decision processes can assume... Thus we fail to appreciate the range of fluctuation in motives, strategies, or response capacities that discrete organizational circumstances can endanger (p. 34).

The third conception dispenses rationality altogether, and identifies the social construction of organizational reality, the negotiation of their meaning, and the persistence of such meaning as properties of the process (Weick, 1979; March & Feldman, 1981). A primary element of meaning creation
involves the use of information and communicative practices that create overlapping organizational cultures. Each culture has its own set of norms, coding categories, and its own dynamics. This introduces a variety of uncertainties into the process. In this conception, uncertainty is not the lack of information where information is construed as the knowledge of causal relations to predict the future. Rather, uncertainty is understood in terms of the nature of information itself. For instance Feldman (1988) notes:

The concept of information that is used by students of organization politics has been defined as a counterpart to the concept of uncertainty and ignores or underestimates the socially constructed nature of information. This approach opens up new and deeper questions about the informal political norms that regulate political relations, and that an important part of these norms regulate explicitly and implicitly, the manipulation and distortion of information in group interaction (pp. 76-77).

Information in this view is equivocal, which has both symbolic and practical use in creating status, enhancing authority, shaping careers and the organizational outcomes.

If we take into consideration the arguments of all three revisions of rationality in the administrative process, we arrive at a fourth property. For lack of a better term let me refer to it as "requisite indeterminacy" -- reflecting the ideas of the "law of requisite adequacy" where each socio-technical system has design requisites of its own (Ramos; 1981, p. 136), and the "law of the situation" (Follett; 1918, p. 51),
where managers yield to norms induced from the evolving situation through the uniting of experience, and not from the fact that, values are held in common. For all of these reasons, organizational members do not comply automatically with formal rules and their corresponding role descriptions. Therefore, compliance is generally problematic. Formal rules may be in conflict with informal rules or norms of conduct, which emerge spontaneously in the process of interaction. Formal reporting requirements may be evaded or procedures may be interpreted to fit situational interpretations (Blau, 1963; Meyer and Blau, 1983). It is this fundamental recalcitrance of human tools which accounts for the unanticipated consequences of purposive action and control in the administrative process.

Despite this admission, administrative theorists continue to lay emphasis on rationality -- operationalized in terms of efficiency and economy. How then can purposive controls, designed to program organizational roles and outcome, come to terms with the operative discretion and meaning formations in organizational action? Here the observations on the nature of "institutional organization" provide an important lens to look for answers.

It needs to be mentioned that there is a tremendous elasticity in the concept of "institution" (Braibanti, 1976; Scott, 1987). For instance, it encompasses the idea of the infusion and diffusion of values beyond the technical require-
ments of the task at hand (Selznick, 1957); a relatively stable collection of roles (Friedrich, 1963); and the reciprocal typification of habitualized actions (Berger & Luckman, 1966). Therefore, one can draw the common idea that institutions work in and through organizations. This gives rise to the construct of institutional organization, which Zucker (1988) describes in the following terms:

Within an organization, institutionalization operates to produce common understandings about what is appropriate and fundamentally, meaningful behavior. They may involve common response to authority, adoption of reasonable task-related practices and procedures, and other, as yet unexplored, internal aspects of organizations (p. 5) [My emphasis].

Such institutionalization, notes Rowan (1982), is more easily maintained in organizations -- "where technical procedures are highly certain and standards of evaluation easy to formulate" (p. 261). Thus a fifth property of the administrative process can be identified in the incorporation of the varying characteristics of institutional organization. These characteristics can be summarized as follows:

(1) Institutional organizations incorporate appropriate languages to foster institutional legitimacy. Adopt a vocabulary that coincides with the rules and myths of society giving organizations the ability to "provide prudent, rational and legitimate accounts" of themselves as being "oriented to collectively defined, and often collectively mandated ends" (Meyer & Rowan; 1977, p. 349).

(2) Institutional organizations avoid assessments by the criteria of efficiency and effectiveness and seek assessment primarily on ceremonial and internally defined criteria. Societal values are espou-
sed as quasi-goals, subject to management's determination of adequacy. Professionals transform the moral mysteries inherent in the work performed by individuals into impersonal techniques that have been mastered by its members (Meyer & Rowan; 1977, p. 344).

(3) In institutional organizations the values and myths in their environment often conflict with those in the organization. Adaptations of organizational subsystems are likely to reflect inconsistent values and myths that emerge from diverse sources. If an organization cannot dominate its environment, it can decouple the elements, assume good faith, and overlook the inconsistencies (Meyer & Rowan, 1977; pp. 356-358).

These characteristics, which typify institutional organizations, lend theoretical credence to the property of adequate indeterminacy. Therefore in institutional organizations the administrative process takes on multiple meanings.

Applying these observations to the institution of budgeting one can trace these properties in budget execution. Arising from and serving the quest for rationality, budgetary practices also display the ceremonial function of giving the appearance of rationality (Wildavsky, 1964; Hofstede, 1968; Wamsley and Hedblom, 1983; Meyer, 1985; Covaleski et al. 1985). For instance, Wamsley and Salamon (1975) observe that in operational practice, "the budget process sounds like a mindless melange of games and ritualistic behavior" (p. 1). Meyer (1985) provides a more detailed depiction of the institutionalized property of budgeting. He observes that:

Two comments about the connection of budgeting to the construction of organization are required.
First, demands for budgetary control generally increased organization at lower levels of administration. Subunits, sub-subunits, and sub-sub-subunits proliferated, but the basic departmental organization of finance functions were not affected by budgeting, save for the centralized budgeting units. Second, while the intent of budgeting may have been to limit expenditures by forcing individual units to make explicit their activities and costs and thereby to compete with each other for scarce resources, its impact may have been the opposite. The more budgetary hence the more organizational categories, the greater the number of justifications for expenditures and the greater the ease of making opportunistic shifts in these justifications. (p. 76).

From a more interpretive point of view Hopwood (1983) observes that, in the representation and reporting of organizational performance accounting is involved in the creation of the organizational order in economic terms which in turn shapes organizational processes and actions.

Having set the properties of the administrative process, now the question can be raised as to how they interact in the micro-institutional level? In other words, how do role players negotiate the control system? The institutional dynamics at the micro-level then refers to the problematic nature of joint decision-making, and the negotiation of meaning that takes place in implementation action.

This problematic can be specified in terms of the pressures toward joint decision-making that operate on individual judgements over the need for coordination, while at the same time such pressures also supply the necessary condition for conflicts over judgement to occur. March and Simon note:
Inter-individual conflict arises either when there are differences among individual goals or when there are differences among individual perceptions of reality (1958, p. 124).

The cognitive processes underlying the use of information in decision-making, which are also structured by role specifications, can be argued to be major factors in creating such incongruence. For instance March and Simon note:

In an organization of any size, there will be different types of information at different points. This incomplete sharing of information leads to intraorganizational disagreement where there is pressure toward joint decision-making within the organization (p. 127).

Therefore, administrative processes at the micro-institutional level can be conceived of as retaining different forms of incongruence, which also contributes to the creation of organizational politics. At this micro-level, politics then takes on a different character. Frost (1987) observes that:

Power can be located not only in resource dependencies and in systems of influence but also in the personality, skill, and experience factors that actors bring into the organizational setting. Organizational politics is the embodiment of the exercise of power. It is represented in the strategies and tactics actors use to get their way in the day-to-day, ongoing, present-time functioning of organization -- it is power in action. In addition, ... politics can also be found in the intentional building of frameworks, of communication rules and meanings that compose systems of influence; it is power in conception (p. 518).

Similar views on the politics at the lower levels of administration can be found in Mechanic (1962) and Blau (1963). What is significant to note at this level is that such politics is
carried out within and through the existing rules, role relationships, and the procedural routines. Self (1973) observes that, "in the zone of administrative politics, the political conditions of change and indeterminacy occur within a more planned and routinized framework than usually happens with party or legislative politics" (p. 152). For instance, such politics can take the form of disputes over the choice of criteria that affect the rule-following behavior of administrators. For example, one may choose credibility as a criterion to measure effectiveness, and then actions may be steered to affect and enhance this credibility.

Having outlined the micro character of institutional dynamics, I further need to elaborate on the constructs that are implicated in the dynamics. Two such constructs are roles and routines.

**Section 2: The Dynamics of Roles and Routines in the Administrative Process**

**The Dynamics of Roles:**

The concept of role refers to actions taken by individuals which are patterned according to the expectations of both the role-player and others with whom interactions take place. In more formal terms, Harre and Secord (1972) define role as:

That part of the act-action structure produced by the subset of the rules followed by some individual defined as belonging to a particular category of person.... Therefore, on the role-rule model, simi-
larities in people's behavior do not necessarily derive from similarities in the stimuli to which they are subjected, but from shared meanings and commonly accepted conventions and rules (p. 183).

Thus in analyzing a system of roles, it is not necessary to probe into the personality characteristics of the role-players, because roles are built upon mutual expectations.

In this approach, roles cannot be examined without simultaneously examining the shared values upon which they are structured. In the budgetary context Anton notes that, "it is precisely this interaction between roles which constitutes the system of action through which allocative decisions are made" (p. 178).

From this perspective, the administrative process can thus be understood as a set of culturally created roles. Katz and Kahn (1978) note:

Role-prescriptions specify the persons from whom one is to accept influence and expect role-related communications, as well as the persons over whom one is expected to exert such influence and from whom such information is to be provided (p. 457).

This conception of role in terms of authority allows role playing to influence the administrative process. Such influence varies because, as Katz and Kahn note, "individuals in the same authority positions differ in the increments of power they exercise" (p. 458). Such variability stems not only from personality characteristics of the role occupants, but also from the meanings given to activities in patterned interactions.
Furthermore, in institutional organization, by making the organization specific tasks meaningful in terms of the competing institutional rules, role performers may face different degrees of internal and external stresses and hence feel pressed to accommodate them. The retention of the symbolic in the concrete is one way through which such stresses may be managed. For instance, Thompson (1961) points out that, lacking specialized competence, general administrators use all sorts of devices for propping up the intellectually weak foundations of hierarchical authority. These include an obsessional stress upon the tasks of control and coordination, together with a cultivation of romantic theories of the executives' role and mild dramatagury of authority. A similar pattern of role conception has also been observed by Anton in state budgeting.

In contrast to the role of the general administrator, the role of the professional is described in the literature as resistant to role variation, displaying functional fixation, and a high desire for autonomy (DiMaggio & Powell, 1983; Ashton, 1976). Professional training has been generally identified as a major source for these tendencies. For instance, Tolbert (1988) notes:

Shared frameworks, containing definitions of desirable outcomes of activities, make it easier to transmit both specific elements of culture and the rationalized myths that accompany them. Professional education programs, which serve as a major source of values and attitudes toward professional work, exert an important influence in the development of such
frameworks. However, different educational programs may provide very different understandings of professional work (p. 105).

Because institutional dynamics at the micro-level create pressure for joint decision-making, the interactions among different professional roles may contribute to the creation of different interpretations of activities and outcomes. Therefore, for the administrative process to accommodate such variations, mechanisms other than formal control and standard procedures have to come into play. In this regard, Tolbert notes:

Because professionals typically resist formal, bureaucratic control of their behavior, adherence to specific rules, policies and behaviors must be effected largely through the process of organizational socialization (1988, p. 105).

From this perspective, like organizational slack and redundancy, ambiguity can also be conceived of as another element contributing to such socialization practice.

The Dynamics of Routines:

Much of administrative process is built on procedural routines. Routines provide stability, continuity, and organizational memory that gradually institutionalize certain patterns of information processing over others. Even the game strategies are often routinized (Wildavsky, 1964; Crecine, 1969; Gerwin, 1969). Routines also facilitate compliance and control by streamlining execution and at the same time attempts to make discretion predictable.

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Behaviorally, routines are the organizational counterpart of habit formation, which preserves useful behavioral patterns (Simon, 1957). In general, routinization is associated with the function of reducing uncertainty in administrative tasks. For instance, Pfeffer (1981) notes:

A routine task, which by definition is repeated many times and is programmable, is the epitome of certainty in organizational operations... [Therefore] those performing routinized tasks also have less power (p. 272).

But different effects have also been argued to hold. For instance, Weick (1974) notes that:

Organizational routines have several other consequences for organizational function. These routines typically negotiate the reality that an organization confronts. Routines resemble solutions in search of problems. Organizational routines also have the property of being recursive. Once started, they run off to completion regardless of the consequences (pp. 364-365).

In the context of institutional organization, routines not only function as simplifying and stabilizing devices, but take on a momentum that goes beyond their original rationale. In this context Tolbert notes:

Over time, the origins of the habit and the problems or situations that provided the impetus for the activities are forgotten, and the activities acquire a more or less objective character. Indeed rationalized myths are likely to develop in organizations around habitualized patterns, enhancing their perceived objectivity. The myths "explain" the way in which activities are linked to specified, appropriate organizational objectives (1988, p. 103).
How do routines maintain the competing institutional values besides rendering them as myths? One answer to this question lies in the conception of control in terms of the standardization effects of routines, hence the synonym -- "standard operating procedures." Thus Allison mentions that routines are:

standard operating procedures or rules that make possible regular and coordinated activity. Routines are regular because they are grounded in the incentive structure of an organization and the normative sanctions that go with it (1971, p. 83) [My emphasis].

Furthermore, Wamsley and Zald (1973) suggest that the process of institutionalizing the collective normative order in organizational action also regulates the flow of resources and legitimacy for organizations.

From another point of view, Simon notes that:

An important objective of standardization is to widen as far as possible the range of situations that can be handled by combination and recombination of a relatively small number of elementary programs (1957, p. 150).

But such controlling effects have their unintended outcomes. Simon points to one of them, saying:

A matter becomes part of the organization routine when it is settled by reference to accepted or approved practices rather than by consideration of the alternatives on their merit. If rationality is to be achieved, a period of hesitation must precede choice, during which the behavior alternatives, knowledge bearing on environmental conditions and consequences, and the anticipated values must be brought into the focus of attention (1957, p. 89).
Similarly, March and Olsen (1984) observe:

information about the consequences of alternatives is generated and communicated through organized institutions, so expectations depend upon the structure of linkages within the system, as well as the ways in which biases and counter-biases cumulate (p. 740).

Therefore, it can be argued that, while organizations develop routines for dealing with recurring problems, these routines gradually become well-entrenched, whereby members of the organization tend to see situations as equivalent even when they are not. The result of such practice is that procedures remain in use even after the situation where they fit has gradually changed. And so the organization's initial success breeds failure unless the organization rapidly revises its routines (Starbuck & Hedberg, 1977). Therefore, we see that routines can have the opposite effect of rational decision-making, even though they are generally considered important aids for rational organizational action.

Organizational researchers have also come up with other variations on the dynamics of routine. For instance Blau (1963) found that, at the micro-organizational level, operational procedures are modified on a regular basis. He reports:

Officials redefined procedures in terms of the dominant objectives of their tasks, and these changes, in turn, gave rise to further amplifications of procedures in the interest of other objectives (p. 35).

Bromiley and Marcus (1987) found that:
Organizational routines under the duress of repeated deadlines act as inhibitors of change if organizational cohesion is maintained and a single favored routine is repeatedly placed between the organization and external challenges. On the other hand, organizational routines under the duress of repeated deadlines act as facilitators of change if organizational cohesion breaks down, separate routines are invoked by individual staff, and management synthesizes these routines into new organizational practices (p. 99).

Therefore, given such background in theory and research findings, it is plausible to argue that procedural routines not only provide stability but that they are also accommodative to change, and these dual functions introduce flexibility into the routines, thus subjecting them to equivocation in both their meaning and application.

Section 3: The Nature of Incongruence in the Administrative Process

In institutional organization, administrative processes can be understood in terms of two patterns of interaction. The first pattern is triggered when macro-institutional rules and directives come in contact with the micro level administrative practices. The second pattern is triggered when different micro administrative roles and routines become interactive. In this second pattern of interaction involving roles and routines, the first pattern inscribes the different institutional rules into the administrative process. Therefore, in implemen-
Incongruence is not a unitary concept. The following discussion depicts the different types of incongruencies that may coexist in the administrative process. Incongruence is a concept which is similar to Merton's (1968) concept of "dysfunction." According to Merton, the consequences of an activity are considered functional when they increase the ability of a given system to achieve its predetermined goals. Conversely, the consequences are dysfunctional if they hinder the achievement of such goals. Goals may be manifest (recognized and intended by the participants) or latent (neither intended nor recognized).

The reasons I choose the term incongruence over dysfunction are two: first to move away from the negative connotations that have been accumulated by the latter term and, second, to convey the idea that functionality of interaction is not nece-
ssarily dependent on goal attainment (manifest or latent), but needs to incorporate the very continuity of intra-system dynamics irrespective of goal accomplishment. This idea of incongruence as shown in figure 3, can be further differentiated into its contextual variations.

<table>
<thead>
<tr>
<th>Administrative Process is held to explain incongruity</th>
<th>Administrative Process is not held to explain incongruity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional Processes contribute to incongruity</td>
<td>Intertemporal Incongruity</td>
</tr>
<tr>
<td></td>
<td>[A]</td>
</tr>
<tr>
<td>Institutional Processes do not contribute to incongruity</td>
<td>Intrinsic Incongruity</td>
</tr>
<tr>
<td></td>
<td>[D]</td>
</tr>
<tr>
<td></td>
<td>[Adapted from Macintosh, 1985]</td>
</tr>
</tbody>
</table>

Figure 3: Types of Incongruity under Different Administrative and Institutional Perspectives

Cell-A:
This occurs when participants expect past incongruities while experiencing new ones -- for instance, changes in the budget process in two periods or after successive budget reforms.

Cell-B:
This occurs when incongruity is recognized but set aside because the prevailing frame of reference fails to explain the ongoing dynamics -- for instance, the budget is considered a
steering device when in fact it may be practiced in a ritualized manner.

Cell-C:
This occurs when the prevailing frame of reference is applied but does not fit within the existing dynamics. For instance, the budgetary process is considered incremental when there are major shifts in allocations and priorities.

Cell-D:
This occurs when prevailing frameworks accumulate over time and take the form of traditions or constitutive rules or rational myths. Such incongruity paradoxically may create a sense of security and stability. When someone points to such incongruence, they are often told, "that's the way we do it here, just do your job and carry out (the) orders." For instance, a budget process at bottom is considered to be both traditional and modern at the same time.

Incongruence occurs frequently in and between administrative processes, but as Macintosh (1985) points out:

the problem is that they create unstructured situations for managers who then get rid of them by treating them as abnormal... or cramming them into familiar frameworks instead of looking for more appropriate ones (p. 208).

The ability to detect and respond to different forms of incongruence is a mark of successful adaptation, which cannot be engineered through premise control or tight monitoring. This is not only because of the complexity of intra-process dyna-
mics, but also because it involves the collective dynamics of institutional processes.

In the administrative process it is often the case that a mix of frameworks is applied to get things done. In those mixes, certain frames explain some of the event but leave other events out, which are then subjected to certain other frames for explanation. This phenomenon can be described as the multiple attributions of reality. In an interactive environment where frames are embedded in the roles and routines, their interaction brings to life a multiplicity of accounts characterizing the interactions. Therefore, ambiguity can be seen as implicated in the management of incongruence. The dynamics of administrative processes at the micro-institutional level as discussed to this point can now be offered in a more compact outline, as shown in figure 4.

<table>
<thead>
<tr>
<th>Institutional Level</th>
<th>Administrative Level</th>
<th>Micro-Institutional Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Premise</td>
<td>Control</td>
<td>Role Variation</td>
</tr>
<tr>
<td>Constitutive</td>
<td>Coordination</td>
<td>Procedural</td>
</tr>
<tr>
<td>Rules</td>
<td>Coordination</td>
<td>Procedural</td>
</tr>
<tr>
<td>Professional Values</td>
<td>Requisite</td>
<td>Role-Routine</td>
</tr>
<tr>
<td></td>
<td>Indeterminacy</td>
<td>Interactions</td>
</tr>
</tbody>
</table>

[The arrows in the figure depicts the recursive nature of the dynamics].

Figure 4: Outline of the Micro-Institutional dynamics of the Administrative Process
In short, the dynamics form the basis to argue that in situations of joint action, administrative rationality cannot be considered as the simple extension of individual rationality. This is because joint action by design is interdependent, hence in the administrative processes, multiple roles and routines converge along with their different norms, cognitive orientations, and institutional values. Furthermore, all of these forces operate in creating the administrative sub-culture, where they exist in a state of dynamic tension.

Therefore, it is equivocality rather than univocality which is the likely outcome of such sub-cultural interactions. This is partly because control cannot be total, and coordination cannot assume total agreement. Therefore, implementation action at the micro-institutional level must continuously stabilize the negotiation of meanings over discrete administrative activities and their outcome. Ambiguity is argued to be one such device that makes such negotiations possible.
CHAPTER IV: THE CONCEPT OF AMBIGUITY AND ITS RETENTION IN THE ADMINISTRATIVE PROCESS

In this chapter I shall discuss "ambiguity" as a concept. In order to do so, I shall discuss its various meanings and applications in organizational research.

The chapter is divided into four sections. In the first section, I discuss the general status of ambiguity, followed by a short inventory of its analytical use. This is followed by a discussion of its applications in explaining organizational processes. The section ends with the treatment of "ambiguity" as a form of intelligence. In the second section, I discuss "role ambiguity," and in the third section I discuss "procedural ambiguity." These are two of the component constructs utilized in the study. In the fourth and final section I discuss the dynamics of role-routine interaction, and offer a stylized depiction of the behavioral dispositions toward ambiguity.

Section 1: The General Status of the Concept

Ambiguity is a phenomenon which seems to conflict with conventional logic and the linguistic culture of modern society. This stems from a disposition to believe that to be scientific is to be unambiguous -- a disposition that is premised on metric precision, where clearly defined observational
categories and measurement procedures are expected to yield valid and precise knowledge about human conduct (Levine, 1985). The paradigm of rationality captures this disposition in both its cultural and institutional manifestations. In Public Administration, this disposition is displayed in the normative search for a rational administration that is expected to optimize efficiency and economy through the programmed control of administrative actions. Ambiguity is thus rendered a status opposite to certainty and rationality. Although the growing differentiation in the conceptual meaning of rationality to some extent moderates this opposition, at the same time such differentiation itself renders the concept of rationality ambiguous. (For the different meanings of rationality, see March, 1978; Wildavsky, 1978).

One reason why we do not generally encounter the use of ambiguity in the description of administrative processes has to do with the fact that, people consider the concept of rationality and its Weberian ideal type, as the only legitimate language to describe administrative processes. People thus find it hard to identify and describe organizational experiences with non-bureaucratic and non-rational concepts (Baum, 1987).

But in common usage, ambiguity does not even enjoy such a non-rational conceptual status. Rather, it carries a variety of negative connotations, describing a variety of phe-
nomena: ignorance, deception, inconsistency, vagueness, double-talk, capriciousness, excuse, and others. None of these usages necessarily relates to the conceptual meaning of the term, although in many places the term has been used to refer to the variety of phenomena that has just been listed. For instance, Katz et al. (1964), in their study on role ambiguity, saw a pervasive and discomforting effect of ambiguity caused by the very nature of modern society. They saw the need to contain ambiguity so that organizational action and identity can become more clear, consistent, certain, and satisfactory.

On the other hand, language researchers tell us that ambiguous modes of expression are rooted in the very nature of language and thought. We frequently use ambiguous modes of expression in metaphor, allegory, pun, contradiction, symbol, irony, and paradox. All of these articulate realities which are too subtle for straightforward representation (Levine, 1985, p. 21). In fact, there are many concepts in social and professional language that do not lend themselves to concrete, certain, and predictable operational meanings. Such is the case with concepts like "equity," "public interest," "legitimacy," and even such apparently precise concepts like "efficiency," "effectiveness," and "control." (For the multiple meaning of "efficiency" see Patrick Hennigen, 1978; on "effectiveness" see Kim Cameron, 1985; and on "control" see Dermer & Lucas, 1986).
Lacking a consistent and consensual meaning, such terms do not simply become meaningless. Rather, their use value lies in the expressive and/or normative influence they have on communication and interaction -- in the form of ideologies, values and conventions. The aversion towards ambiguity is primarily a culturally learned one; therefore, to unlearn such aversion one needs to seek the various manifestations of ambiguity in order to arrive at a more critical understanding of the administrative process.

**Section 1a: Ambiguity -- A Short Inventory Of Its Analytical Status**

The Oxford English Dictionary defines ambiguity in terms of its subjective and objective connotations. Subjectively ambiguity is given the connotations of --

waver of opinion; doubt; uncertainty as to ones' course of action or conduct.

Objectively ambiguity is given the connotations of the --

capability of being understood in two or more ways; double signification; an equivocal expression, several possible meaning; admitting more than one interpretation; of doubtful position or classification; as partaking of two characters or being on the boundary line.

Similarly, Katz et al. (1964, p. 22) maintain the distinction between the subjective and objective meanings of role ambiguity. They identify "objective ambiguity" as a condition in the environment and "subjective ambiguity" or "experienced ambigu-
ity" as a psychological state of an individual person. Among all such connotations, equivocality, i.e., the capability of being understood in two or more ways, is the commonest meaning retained in the term. The only empirical study on the use of the concept shows "multiple meaning" as the most frequently used connotation -- irrespective of one's awareness of such significations (Norton, 1975, p. 608).

The study of ambiguity has taken different forms. The main lines of investigation include the following:

[1] **Linguistic**
Here the focus is on word sense. Studies focus on the syntactical, lexical, and referential ambiguity in language use (Hirst, 1987; Empson, 1963). In this literature, ambiguity is generally taken as a contributing cause of variation in the truth value of a sentence under varied circumstances of utterance.

[2] **Philosophical**
Here the focus is on word-object relationships and the indeterminacy of meaning and action (Atlas, 1989; Henderson, 1986; Soles, 1984; Quine, 1960). Ambiguity in philosophy is considered a state of understanding that is in-between certainty and doubt.

[3] **Decision Theory**
Here the focus is on individual information processing behavior under conditions of uncertainty (Heiner, 1988; Nisbett & Ross, 1980; March, 1978; Kahneman & Tversky, 1973; Ellsberg, 1961).
Ambiguity is attributed in decision-making when predicting a future course of action becomes subject to equally valid probabilities or when reasonable information is used unreasonably. For instance, Ellsberg perceives ambiguity as a condition falling between complete ignorance and risk. It exists when a decision maker feels that there may be more than one reasonable distribution of probabilities over future events that are relevant to the decision at hand. Therefore, ambiguity emerges from the various degrees of confidence one assigns to the probability estimates. March (1978) construes ambiguity in terms of instances that involve uncertainty over guessing future outcomes. He points out that theories of choice under uncertainty emphasize the complications of guessing future consequences which involves two kinds of guesses:

The first guess is about the uncertain future consequences that will follow from alternative actions that might be taken (this is the problem of uncertainty). The second guess is about the uncertain future preferences the decision maker will have with respect to those consequences when they are realized (this is the problem of ambiguity) [1987, p. 155].

The notion of uncertainty is again differentiated in terms of perceived and objective character of information. Objective uncertainty stands for the lack of clarity in information, in causal relationship, and in the time-span of feedback about results. Perceived uncertainty stands for individual differences in cognitive processes, cultural perceptions of the environment, and the differences of response repertoires (Downey
One interesting study takes a different approach from the rest, arguing for the necessity of imperfect decisions. Heiner (1988) writes:

agents always have a positive marginal incentive to use some information imperfectly, but never to use all potential information even if they have costless access to perfect information about how to select every action (p. 29).

In this literature, commentators have used such terms as "wicked" and "fuzzy" to characterize the lack of structure in situations where there is uncertainty over both causation and preference.

[4] Social Theory

Here there are a variety of approaches to the understanding of ambiguity. The major ones are:


All of the connotations of ambiguity in this literature, in so far as they point to its social rather than the psychological context, form the basis of my discussion. The purpose is to arrive at a conception of ambiguity considered to be operative in institutional organization.
Section 1b: Applications in Organization

Having outlined the available studies that explicitly use the concept, it is paradoxical to observe that by the very criterion of its definition the term itself has been rendered ambiguous, i.e., there are multiple meanings of the concept. Let me now sort out the various studies within the social theory category in order to elaborate on the conceptual meaning of the term utilized in the present study.

Studies that deal with **conceptual ambiguity** attribute the term to the different understandings of organization that result from the micro and macro perspectives. For instance, from the micro perspective the concept of power is based on the actor's discretion, whereas from the macro perspective the concept is based on one's "intrasystem position" (Lerner; 1986, p. 467). Or consider another view: "To the macro position, politics is the main device of allocation of values in society ... (while) to the micro position, politics is seen as an elite ritual that veils the true arena of social dynamics, of which allocation of values is only a part" (White; 1976, p. 67). Conceptual ambiguity may also be attributed to observations made from different vantage points (See Gist's observation on page 37). Similarly, the different understandings of bureaucracy derived from abstraction and concrete experience also attest to the attribution of conceptual ambiguity (Katz et al., 1964; Goodsell, 1983).
In the political context of analysis, ambiguity has been referred to in terms of the symbolic use of values and concepts that creates multiple meanings in policies and their outcome. Elder and Cobb (1983) note that:

Symbols provide a vital link between the individual and the larger social order and that they are crucial to the process of legitimacy...A symbol is any object used to index meanings that are not inherent in, nor discernable from, the object itself. Since a symbol is initially used as a vehicle for condensing and simplifying a variety of stimuli, it is likely to have some initial ambiguity. That ambiguity tends to be compounded over and over again the more the symbol is reused in different contexts (pp. 27-34).

Because symbols synchronize diverse motivations of different individuals, they are not only mechanisms of legitimation, but at the same time through the accommodation of diverse views make collective political action possible. Thus hortatory language in politics is both ambiguous and functional for collective order. Therefore its use remains institutionalized in the diverse interactions of the collective. Yet this functional outcome is not designed, but emerges as an unintended outcome of the political process. Reflecting on the administrative process, Elder and Cobb (1983) note:

Administrative language is characterized by symbols pragmatically interpreted by their users, but it is distinguished by the fact that the symbols tend to be affectively and cognitively meaningless outside this narrow circle (p. 67).

Urban (1982), on the other hand, points to ambiguity residing in the practice of administrators' entertaining mul-
tiple ideologies. He argues that administrators simultaneously uphold a general ideology rooted in the dominant institutional values and special ideologies that emerge from special circumstances and institutional sub-cultures or enclaves. Ambiguity in this context, notes Urban:

> enables the group in question to integrate others around the products of administrative action by wrapping these products in the sort of symbols which secure their acceptance and, concomitantly, legitimate the bureaucratic order itself (p. 10).

In the budgetary process, Anton (1967) describes ambiguity emerging in the highly stylized behavior of actors in the form of moves and counter moves played around the symbols of "economy," "service," and "competence."

Urban locates the reason for ambiguity in the contradictions that are inherent in the practice of administration, where the pressure for mediating the discrete with the abstract, the desire to increase power and discretion, and the need to comply with rules result in unintended "ambiguity in definition and perception". This in turn creates a "multitude of meanings" that serve to stabilize the administrator's role (1982, pp. xiii,6). Similarly Elder and Cobb note that such dynamics are not so much the product of conscious design but are the imperatives which are inherent in collective decision-making.

Connolly (1987), on the other hand, finds in ambiguity a political medium of moderation, which is considered essential
Modern politics, at its best, is the institutionalization of ambiguity; it keeps alive that which might otherwise be killed by the weight of authority or necessity; it helps that which is subordinate to find its own voice and, perhaps, to expand the space in which it can be for itself rather than only for the order. If authority tends to concede too much to the yearning for harmony, politics encourages us to confront the urge itself (p. 141).

What Connolly is referring to in this passage is the need to recognize and appreciate ambiguity as a necessary condition for democratic politics. Authority is the outcome of consensual meaning; otherwise, it fails to induce obedience. Therefore, Connolly is arguing that the need for consensus has to be moderated by the necessity of creating multiple viewpoints through the political process.

At a less global level, researchers have also noted the importance of ambiguity in policy design (Lowi, 1979; Nakamura & Smallwood, 1980; Kingdon, 1984) and in organizational goals (Simon, 1957; Perrow, 1961; Blau, 1963). Therefore, goal ambiguity can be noted as an acknowledged feature of institutional organization. Ambiguity in goals results in the creation of, official and unofficial intents, easier agreement on goals, and the issuance of formal directives with informal cues. Along with these, the logic of the circumstance and the coalition behavior of intra and inter organizational actors may cause further meanings to emerge from the exercise of discretion.
The pressure of multiple meanings, both in intent and outcome, therefore requires a process of constant negotiation, not only to keep the formal intents, structures, and outcomes operational, but also to allow the emergent meanings of intents and structures to have their effect in the process. For instance, Pierce (1981) notes:

Programs justified as aiding disadvantaged localities, are usually administered in such a way that small benefits are available to a large number of geographically dispersed communities, regardless of objective measures of need. To accuse the bureaucrats of acting contrary to the wording of the law is pointless if they adopted the only policy that would result in continued funding (p. 5).

Ambiguity, thus, is not only a legitimating device as captured in the symbolic and ideological literature, but it also stabilizes organizational performance as captured in the policy and organization process literature.

The literature focusing on intra-organizational process also identifies ambiguity as a feature of administration. Lerner and Wanat (1983) utilize the mathematical notion of "fuzzy sets" to explain ambiguity in the way classification system works in bureaucratic administration. A fuzzy set is a collection of elements whose membership is equivocal, i.e., some elements are clearly in the set and some are clearly not; while for some it is not clear whether they are in the set or not. Lerner and Wanat suggest that the necessity for consensus building is often a consequence of dealing with fuzzy concepts.
Thus meetings abound in bureaucracies in order to continuously negotiate multiple meanings.

In the context of changing environments, Cohen and March (1972) observe ambiguity in what they term "organizational anarchy." Such anarchy is described as situations where "goals are vague, problematic, inconsistent, or unstable." Such a conception of ambiguity is also observed in decisional situations that Thompson and Tuden (1959) describe as "anomic structure," where reliance is placed more on decision through inspiration. Thus ambiguity is primarily treated as a special case of organizations resembling the character of their special environment.

At a more intentional level, Eisenberg (1984) attributes ambiguity to more opportunistic and strategic behavior in organizational communication. The strategy is based on seeing the communication process as an "interaction of multiple rationalities." Eisenberg points this out, saying:

> strategic ambiguity is essential to organizing in that it promotes unified diversity, facilitates organizational change, and amplifies existing source attributions and preserves privileged positions (p. 227).

One interesting point raised in Eisenberg's research is that, when communication occurs through very coded messages, incomplete information and signification may engender high degree of clarity among people who have a shared meaning, and endanger ambiguity when such sharing is problematic. In this sense,
Ambiguity may exist irrespective of actors' active cognition of it. In fact, as Eisenberg notes:

low levels of perceived ambiguity may often accompany high levels of strategic ambiguity, and vice versa (p. 230).

Ambiguity is also noted as an uncertainty coping mechanism. For instance Lerner's use of the concept is based on this attribution. Lerner (1978) identifies ambiguity as:

the difference between what actors know and what they presumably would like to know, and on the implications this difference has for the way decisions are developed and enacted (p. 4).

The objective character of ambiguity lies precisely in the idea that in a relationship between, say, A and B one may be certain about the relationship more than the other or both may be relatively sure about different aspects of the relationship or the substantive issues that are involved. Thus ambiguity may be retained in the relationship without either A or B being uncertain about the relationship. Thus Lerner observes:

two strategically minded actors may both treat as ambiguous elements of their relationship which are in fact clear to both (p. 6).

Applying this attribution, Lerner identifies its retention in the authority, jurisdictional, and reciprocal relationships among organizational actors. For instance, ambiguity may be manifested in superior-subordinate interaction, which is formally governed by commands and job descriptions, but in practice may remain negotiable. Ambiguity may also be manifested
in the doctrine of executive privilege, which allows the superior on shaky grounds to inject coerciveness into the process while denying subordinates the rationale for grounding their objections. Lerner notes that:

Going by the book is often associated with superiors' interest in securing compliance to the letter, but the book can also protect subordinates from doing any more than what is required (p. 16).

An extensive documentation of ambiguity in the ordinary experience of organizational actors is provided by Baum (1987). For instance, a federal employee, when asked to describe the balance of power and rules in his workplace, reported them as follows:

I have to live within the rules. What I do is consistent with the rules. The ability to interpret the rules [matter]. But the fact of the matter is, I think I am limited ultimately by ... I am not sure ... People are enforcing the rules. But if they are not enforcing the rules -- in this sense, it is both [rules and people], but, in fact, the rule is probable. But I don't have any rules saying that I can't do this. It depends on what the initiative is. If it is consistent with the rules, then the people will be there. If you are talking about the rules of the organization, sort of the unwritten rules, that brings on a different kind of question.... I think that even if nobody says this is a rule, you need to think about if this is acceptable (p. 32).

The employee's ambiguity about the balance of impersonal rules and personal influence is reflected in his frequent use of "but." In this instance, both formal rules and personal relations coexist in very uncertain terms. Consider another report of a county clerical staffer who narrates her use of ambiguity
in getting the needed jobs done:

Authority is given to me by the organization. I don't have authority but what is given to me by my supervisor. I do have authority to give someone an account number, to tell them that they have money to spend. I can communicate with the State, and my boss will back me up. We argue a lot... I guess that is about all the real authority that I have. Sometimes you take more authority than you should in order to get something done. I do that a lot. For example, I had a check to pay. I wrote the check and took it to the fiscal officer and told him to sign it, and it took him all day to sign it. I circumvented a couple of people. It is the old story to knowing who as well as what (Baum, 1987, p. 46).

In another empirical study, Blau mentions that department heads established clear-cut procedures and amplified them through various directives in order to discourage deviation from formal intent. Yet it turned out that the lower level employees changed the procedures and imparted new meanings to them. For instance, Blau (1963) notes that:

Clerks modified the due-date procedure to make their work experience more satisfactory.... Furthermore, by exercising some discretion when giving due dates, they transformed a routine, mechanical duty into an interesting social experience. This was partly due to the feeling of power derived from being able to sneak somebody through (p. 29).

All three illustrations show that, although organizational roles are established in the formal hierarchy and procedures are routinized, differences in employees' competence, interest, self worth, and ambition still lead to ambiguity when responding to the exigencies of the situation.
Section 1c: Ambiguity As a Form of Intelligence.

Rational decision-making procedures in administration fulfill the function of choice through the selection of action alternatives and reducing the uncertainties of outcome. But administrative processes face two problems in this respect: to choose the right thing to do and to get it done. In this context, Brunsson (1982) identifies two kinds of rationality addressing these two problems. He labels them as "decision rationality" and "action rationality." He points out, saying:

the one is not better than the other, but they serve different purposes and imply different norms. The two kinds of rationality are difficult to pursue simultaneously, because rational decision-making procedures are irrational from an action perspective; (so) they should be avoided if actions are to be facilitated (p. 37).

From this line of argument it follows that decision irrationality observed in the decision process is explainable as action rationality. For instance, ideologies and myths have been shown to serve this function (Urban, 1982; Meyer & Rowan, 1977). Organizational slack and redundancy have also been shown to serve a similar function (Cyert & March, 1963; Landau, 1969). Likewise, ambiguity is also argued to serve a similar function as a distinct type of institutional intelligence.

Organizational intelligence, as originally described by Wilensky (1967) to consist of "information, questions, insights, hypotheses, evidence" (p. vii), needs to be expanded into a broader concept of "institutional intelligence." March
(1978) describes such intelligence as:

that knowledge, in the form of precepts of behavior that evolves over time within a system and accumulates across time, people and organizations without complete current consciousness of its history. Then sensible action is taken by actors without comprehension of its full justification...

[He further notes] Global ambiguity like limited rationality, is not necessarily a fault in human choice to be corrected but often a form of intelligence to be refined by the technology of choice rather than ignored by it (p. 592)

This same point is echoed in Dyckman (1981) when he writes:

systemic intelligence rather than calculated rationality may play an important role in understanding behavior, thus when judgements or actions are evaluated by comparison with outcomes, environmental factors influencing these outcomes may not even be considered (pp. 292-293).

Thus budget variances may be interpreted in terms of their action rationality rather than their decision rationality. In fact, greater precision in analysis and the measurement of performance is often a mixed blessing. From such considerations, ambiguity as a form of institutional intelligence may facilitate action rationality by making the symbolic and ideological interpretations coexist with formal controls and their discretionary exercise in administration. Administrative problems in such a sub-culture may not so much be solved as managed, but in doing so it may stabilize and legitimize the administrative process in the larger institutional environment.

What the organizational applications of the term suggest is that ambiguity can be a characteristic feature of orgaza-
tions operating in turbulent environments as well as a general property of bureaucratic organizations. Next, such applications suggest that, ambiguity can be retained in the actors' perception of organizational processes as well as in the very nature of interactions between actors and the procedures through which organizational action takes place. Finally, they suggest that, ambiguity may be conceived of as a form of intelligence which facilitates the management of institutional organization.

Given the focus of this study on the role-routine interactions at the micro-institutional level, the second view of ambiguity as a property of bureaucratic organization will be emphasized. Therefore, clarification of role ambiguity and procedural ambiguity in terms of their equivocal potential is offered in the following two sections.

**Section 2: The Concept of Role Ambiguity**

Role ambiguity has been subjected to different meanings in the research on role performance (Katz et al., 1964; Rizzo et al. 1970; Merton, 1976; Baum, 1987). A behavioral perspective is adopted by Katz et al. (1964) in their use of the term. To them it constitutes:

[the] discrepancy between the information available to the person and that which is required for adequate performance of his role. Subjectively it is the difference between his actual state of knowledge and that which would provide adequate satisfaction of
his personal needs and values ... The relationship between the objective condition of ambiguity and the intensity of the ambiguity experience for a certain person will be modified by various properties of personality [sic.] (pp. 73, 26).

Following this approach, Rizzo et al. (1970) operationalized the concept as the lack of clarity in behavior observed against (a) certain predetermined indicators predictive of clarity and (b) what the role occupants consider as appropriate behavior. This approach to role ambiguity essentially deals with the psychological dimensions of role identity and hence is considered partial for understanding role-ambiguity in interactive situations.

A much broader and somewhat different view is offered by Merton, who extends role-ambiguity to the culture at large. He uses "ambivalence" to designate this meaning of role-ambiguity. In Merton's (1976) approach,

Ambivalence refers to incompatible normative expectations of attitudes, beliefs, and behavior assigned to a status (i.e., a social position) or to a set of statuses in a society. The ambivalence is located in the social definition of roles and statuses, not in the feeling-state of one or another type of personality (pp. 6, 7).

Merton (1976, pp. 9-11) describes how this basic ambivalence can take different forms. These are listed as follows:

[1] Ambivalence emerging from the conflict of interest or of values, in which interests and values incorporated in the different statuses occupied by the same person result in a compromise behavior.

[2] Ambivalence emerging in the conflict between several roles associated with a particular status. This not
only make competing demands for time, energy, and interest upon the occupants of one status, but the kinds of attitudes, values, and activities required by each of these roles may also be incompatible with the others.

[3] Ambivalence emerging from the contradictory cultural values held by members of a society. These values are not ascribed to particular statuses, but are normatively expected of all in the society.

[4] Ambivalence emerging from the disjunction between culturally prescribed aspirations and socially structured avenues for realizing these aspirations. It is neither cultural conflict nor social conflict, but a contradiction between the cultural structure and the social structure.

[5] Ambivalence emerging from living in two or more societies or becoming oriented to differing sets of cultural values.

These sources of ambiguity at the broad cultural level are not based on individual dynamics but on structural ones. This structural dynamics is stated by Merton in the following terms:

Behavior oriented wholly to the dominant norms would defeat the functional objectives of the role. Instead, role-behavior is alternatively oriented to dominant norms and to subsidiary counter-norms in the role. This alternation of subroles evolves as a social device for helping people in designated statuses to cope with the contingencies they face in trying to fulfill their functions. This is lost to view when social roles are analyzed only in terms of their major attributes (p. 18).

The expression of this same dynamic in public bureaucracies is depicted by Baum in situations where "direct collaborative action is appropriate to solve problems." Ambivalence may be retained in interactive roles where, conscious intentions [are] opposed by unconscious aims: workers may want both to solve and not solve...
problems because other, interpersonal issues seem more important; to exercise power and not exercise power...to collaborate and not to collaborate because there are no definite limits on what others want or will do; to take responsibility and not to take responsibility because it may never be satisfactorily defined and fulfilled. With such complicated motivations, the straightforward problem-solving implied by rational models may be an exceptional occurrence (Baum, 1987, p. 26).

Role ambiguity therefore taps into certain structural attributes of bureaucratic organization. For instance, a role occupant may be uncertain about the scope of responsibility entailed in a position or what is expected by others, or he/she may not know whether the expectations are being met. Secondly, there may be unclarity as to who has legitimate right to influence each other or the limits of one's authority over others.

Equivocality may emerge in the interpretation of rules and regulations or in determining the conditions which afford the exercise of discretion. Such forms of role-ambiguity have yet to be conceived of as a natural and inevitable aspect of administrative processes, which are generally considered to be rational and predictable.

Therefore, we need a conceptualization that somewhat reduces the scope of Merton and broadens the scope of Baum. Such a conceptualization is needed in order to focus on role ambiguity at the micro levels of institutional organization and give it the significance that it deserves.
Section 3: The Concept of Procedural Ambiguity

In addition to role ambiguity, this study also utilizes the concept of procedural ambiguity to conceptualize the nature of ambiguity in administrative processes. Procedural ambiguity is conceived of in terms of the degree of equivocality in the information that are routinized. In any administrative process, there will be different amounts and types of information at different points. This leads to an incomplete sharing of information, and, coupled with the different roles and rules, such incompleteness may result in the retention of multiple meanings, particularly where there is pressure toward joint decision-making (March & Simon, 1958). Making role players share a common source, standardizing the information processing techniques, developing a common vocabulary, or promoting a common ideology may all contribute towards mitigating this effect. But the very nature of administrative processes is such that they will continuously generate such incompleteness. The incompleteness of information that lends to multiple meanings through the interpretive acts of role players can be referred to as contributing to the equivocality of information in procedural routines. In this context, Weick (1979) mentions that,

it is important to realize that an input is not equivocal because it is devoid of meaning or has confused meaning. Instead, equivocal inputs have multiple signification... The image we want to capture is not that of an environment that is distorted, indeterminate, and chaotic (p. 174).
Weick argues that multiple signification occurs when information becomes "embedded in the total situation" and not considered in isolation (p. 182). It is here that equivocality of information becomes subjected to the interactive processes of enactment.

Various cognitive constructs, such as "cognitive dissonance," "schema," "ideology," and "espoused theory," have been utilized to account for the patterns of enactment or meaning creation. These approaches suggest that role players are disposed to seek out information that they think will support their existing beliefs or bolster their shaken beliefs. Furthermore, research on information processing discussed in section 1(a) lends further evidence as to why information remains equivocal in organizational decision-making. Therefore, interpreting information and its communication is a highly selective process of sorting out information and rendering it meaningful. In the context of public management, Steiss (1972) notes that,

omissions and inaccuracies may increase the ambiguity of messages; however, since ambiguous messages are open to multiple interpretations, more agreeable meanings may be attached to them by the receivers. Thus, while ambiguity may result in slippage between sender and receiver, such slippage may also promote consensus and agreement.... (For instance, Steiss further notes), As a result of irreducible ambiguities, the application of systems techniques is frequently limited to a narrowing of alternatives and does not completely solve the problems of the public manager (pp. 106,17).
In the information processing and organization communication literature, the study of equivocality is shown to result in two kinds of ambiguity: ambiguity in the very nature of message or information itself and ambiguity in the message interpretation and communication process (Stohl & Redding, 1987; Putnam & Sorensen, 1982; Daft & Macintosh, 1981). Procedural ambiguity is conceived in terms of the latter. Such ambiguity is also a matter of degree, varying with the nature of organization, its environment, and role interactions. Gilfillan (1980) argues that Weick's theory of enactment depicts this dynamics of equivocation:

Equivocality is registered and adjusted to by the differential activation of standardized processing rules; the rules specify the assembly and application of particular types of interactive behaviors that will reduce the equivocality of the input; the more rules are applied, the fewer the behaviors that can satisfy all of the rules (p. 51).

Given this dynamic, the theory suggests that it is necessary that the procedures themselves be complex or equivocal enough in order to deal with the level of equivocality in the informational inputs and interactional outputs of their operation.

Going back to the two types of message ambiguity, the first type (in the information itself) is activated, when information is clear to the receiver but the underlying meaning is not. This is because the information has two or more significations. The second type (in the interpretation of messages) is activated when multiple interpretations converge on the
information processed in communication.

Given that some degree of equivocality is present in all organizational inputs, its effect on the interpretations of role occupants is one way to understand how administrators make sense of their activities. An example of how equivocality affects the administrative process can be seen in situations where, as equivocality increases, administrators tend use fewer routine procedures and increase their communicative cycles.

But meaning creation does not take place only in the context of discrete tasks, the organizational subculture; or the personality attributes of role players but also in the context of institutional rules, values, and symbols that are activated through the procedural routines. Such meaning creation not only facilitates the administrative process but defines the process itself.

In the context of accounting procedures, Hopper et al. note:

The so-called "generally accepted principles" of accounting, for example, and the various rules and devices within it, are regarded as fragile products of circumscribed and tentatively negotiated meanings. Far from providing a secure or accurate depiction of reality, accounting is seen to represent a language system furnishing a partial and particular type of perspective on everyday life (1987, pp. 441-442).

Similarly, empirical research on accounting practice has argued that, through a negotiating process, accounting data are reinterpreted and modified in the pursuit of sectional interests
in organizations. These studies also show that accounting data are also used ritualistically to rationalize the decisions that were already carried out (Berry et al., 1985; Gray & Jenkins, 1985; Marcus & Pfeffer, 1983; Covaleski & Dirsmith, 1983; Gordon & Sellers, 1984; Pandlebury & Jones, 1985).

Therefore, in institutional organization, the necessity of integrating institutional values and norms with the intra-organizational and subcultural meanings introduces another element of equivocality in the information processed through the procedural routines. Another form of equivocality, emerging from the dual nature of organizational information, is identified by Swanson (1978), who writes:

Much, if not most, organizational information is probably best regarded as two-faced, i.e., as the product of inter and other-directed needs taken together. This has consequences for organizational self-learning and self-delusion, and for the maintenance of organizational credibility and organizational secrets (p. 237).

This dual nature of information is also noted by March and Feldman (1981) when they treat organizational information both as "signal" and "symbol."

Commenting on the politics of numbers, Starr (1987) shows how ambiguity is managed through the reporting formats. He writes:

The acknowledgement of ambiguity and imprecision in the presentation of data poses a task of considerable delicacy. The appropriate disclaimers may be made in technical appendices, while the basic mode of presentation implicitly says the opposite. In a
pattern that Morgenstern calls "specious accuracy" figures are regularly reported to several decimal places even though they cannot possibly be accurate to that degree (p. 51).

These observations suggest that equivocality in message interpretation very much involves routine procedures. This is because a majority of organizational information processing activity occurs through routine procedures and a majority of organizational communication takes place around them. Therefore, it follows that the equivocality of information so far discussed is also retained in the routine procedures and the messages that are communicated through them. Examples of such procedures constitute the various directives, manuals, and forms that are regularly processed by the organizational role-occupants. In this context, organizational routines, rather than simply being the mechanisms of uncertainty reduction, themselves become a medium of absorbing uncertainty.

Like role-ambiguity, procedural ambiguity in routines also carries both symbols and signals and negotiates them through the various interpretive acts in particular administrative episodes.

In the administrative context, March and Simon (1958) provide an important distinction of communication based upon procedural routines. The distinction is between "communication relating to procedural matters and communication relating to substantive content" (p. 161). They note that both forms of
communication are routinized in terms of generating: "problem-solving, attention-directing, and procedural questions." These questions vary in tone and intensity along the organizational hierarchy and across the roles played in each hierarchical level. Therefore, such questions offer a means of understanding the degree of equivocality in the information retained in the procedural routines. For instance, they observe that:

In making choices that meet satisfactory standards, the standards themselves are part of the definition of the situation (p. 141).

Thus, in addition to role ambiguity, procedural ambiguity can also be construed as another feature of the administrative process.

While depicting ambiguity in the socio-structural dynamics, Merton (1976) also suggests its manifestation at the micro level. He writes:

The ambivalence inherent in a wide variety of roles must deal with both maintenance of the pattern of behavior and with instrumental results, with activity that serves chiefly to maintain social cohesion and activity that serves to get things done [sic.] (p. 8).

In the context of bureaucratic organizations, Baum (1987) similarly notes that:

Some ambiguity is inherent in tasks, and some resides in the social structure of bureaucratic organizations created to accomplish the tasks (p. 57).

Given the micro-institutional focus of this study, we can similarly conceive of administrative processes as a network of
role-routine interactions, where role ambiguity and procedural ambiguity are retained in such interactions. This conception of micro-institutional dynamics also finds support from more specific observations made by organizational researchers. Such observations reveal the micro-processes through which ambiguity is retained in budget execution. Three such observations are cited below.

[1] Actual and budgeted spending levels are reported, as well as differences. The message conveyed by this information, however, is tentative. Any conclusions are tenuous. Variances such as underspending do not necessarily indicate either effective or efficient performance. The information has more than one focus. It is ambiguous and does not yield one clear-cut solution (Macintosh, 1985, p. 226).

[2] Challenging budgets or "realistic" standards, for instance, are not merely 5 or 10 percent less than last year's figures. The accountant may well see a numerical cut in such terms, but a manager sees it in his own terms, based on his own experiences, expectations and needs. The cut, small though it may be, may endanger his chances of promotion, increase the uncertainties inherent in the task, or be seen as an indicator of the prevailing management style. Is it then likely to be seen as challenging or realistic? Similarly, it is easy for an accountant to give a precise definition of allocated costs as including certain things, excluding others and derived on the basis of a predetermined formula. But a manager may see the accountant's precise efforts in very different terms, and respond to them accordingly. Reality is, in other words, the outcome of a process of personal perception and social interchange (Hopwood, 1974, p. 161).

[3] The responsiveness of the political system to environmental pressures may, at least in the short run, depend on the amount of slack in the system, and the ways in which accounting numbers are produced and fudged.... [In such situations] learning may be superstitious, and fallacious rules of inference may persist for long periods (March & Olsen, 1984, p. 20).
Section 4: Ambiguity and General Behavioral Dispositions

There can be a variety of behavioral responses to different kinds of ambiguity (Brunswik, 1949; Budner, 1962; Katz et al., 1964). Therefore, in the interaction of roles and routines various behavioral dispositions may be displayed. In the context of administrative officials two such dispositions can be enlisted: those of the managers and those of the professionals. In the literature, contrasting findings also have been reported regarding these two classes of officials.

The managerial disposition, although varied, has been shown to be generally tolerant of ambiguity (Isenberg, 1988; p. 535) and even shown to mildly thrive on it (Eisenberg, 1984, p. 230). For instance, Quick (1989), a management veteran for over twenty years, notes saying:

I came to understand that either-or, which characterizes many managerial decisions, is a trap because you have only two boxes in which the whole world must fit. Sometimes, it occurred to me, reality was best defined by both-and. I further discovered that the more options I had, the more possibilities I discovered, and the more successful I was in deciding and solving. And the more fun managing was (p. xi).

Similarly, Isenberg reports the view of one senior manager typical of the group he studied. The manager reports:

I think ambiguity can be destroying, but it can be very helpful to an operation. Ambiguities come from the things you can't spell out exactly. They yield a certain freedom you need, not to be nailed down on everything. Also, certain people thrive on ambiguity. So I leave certain things ambiguous. The fact is
we tie ourselves too much to linear plans, to clear
time scales. I like to fuzz up time scales complete-

In the context of budget management, Howard (1983) notes:

**Despite the frustrations that a lack of goal clari-
ty may entail, most state administrators appear to prefer broad and ambiguous objectives so that they can adapt their actions and decisions to specific situations they face** (p. 104).

In surveys on budget managers, studies report that they gene-
 rally prefer more flexibility and discretion in budgetary decisions (Engstrom, 1979; Duncombe & Kinney, 1987).

In contrast to this generic disposition of managers, a more focused research on accountants have depicted the opposite view of a general intolerance of ambiguity (Ijiri et al., 1966; Norton, 1973; Dermer, 1973). Such intolerance is attributed by the researchers as "functional fixation," which refers to individuals' attaching a fixed meaning to objects and being unable to see alternative meanings or uses. Such fixation leads one to have more and more information of the same kind. Golembiewski and Rabin (1983) observe that financial officials are less active in seeking answers to problem-solving and attention-directing questions. They identify the reason as follows:

No doubt the traditional concern with score card questions helps explain this common inactivity, implying as it does that internal financial reporters are less equipped and motivated to handle the other types of question (p. 3).
Therefore, the functional fixation of accounting officials, reflected in their need for more information of the same kind, fosters a reliance on accounting principles rather than an appreciation of equivocation. An appreciation that would require the handling of multiple interpretation in their processing of routine information.

Given that no systematic research is available on these two dispositions, empirical generalization cannot be derived from such narrow and context-specific observations. At best, these two dispositions can be treated as stylized facts that need to be evaluated on a case by case basis.

To sum up the relation of *ambiguity as a concept, with administration as an institutionalized practice*, involves a conceptualization that takes into account:

1. The possibility of ambiguity retained as an unintended outcome of the interaction between competing institutional values and organizational norms and practice.

2. The possibility of ambiguity retained in roles and routines, and their interaction in the micro-institutional level.

In this conceptualization, ambiguity refers to multiple interpretations of administrative actions. Roles and routines are two interactive elements of the administrative process. Therefore, whether ambiguity is retained in such interactions is an issue worth probing. Such probing gives access to certain features of the process that otherwise remain obscure. For example, in the budget execution process, allotments are made.
to satisfy both legislative and agency goals, funds are disbursed and accounted through striking a balance between normative allocation criteria and discretionary justifications. Thus budget execution may reveal the micro-institutional dynamics as a complex synthesis of multiple determinations rather than the unidimensional control perspective that is presently entertained. I turn next to depict the craft of budget execution in order to discern the contextual plausibility of this argument.
CHAPTER V: THE CRAFT OF BUDGET EXECUTION

This chapter discusses the conventional view of the budget execution process. The purposes here are two-fold: first, to confront the formal textual understanding with the dynamics of the process conceived of as an administrative craft, and second, to incorporate into the formal mechanics an interpretive scope that reveals the craft to include the management of ambiguity.

The chapter is organized into three sections. The first discusses the formal mechanics of the budget execution process, the second discusses the dynamics of the craft of budget execution, and the third discusses the interactions between the roles and routines of the process.

The institutional dynamics of the administrative process, outlined in the previous section, take on specific character in implementation actions. As early as 1929, Buck pointed to the "importance of synchronizing as far as possible the inflow and outgo of the moneys required for the support of the government (p. 161). Having stipulated this structural rule, Buck immediately conceded saying that,

Of course, as every administrator knows, the two cannot be made to balance exactly from day to day; for this reason there should be an excess of receipts over disbursements, the amount of which should depend upon the magnitude of expenditures on the probable daily turnover in governmental business.... [He further notes that] when the spending authorities do not secure the needed flexibility
through transfers, they may disregard to a large extent the detailed restrictions which have been fixed by the legislative body on their appropriations (1929, pp. 161, 457).

In his description of the budget execution process Buck remains prescriptive. Rather than explaining the incongruencies, his effort is directed towards solving them through administrative reorganization. Furthermore, Buck's focus is on tracing the evolution of budgetary systems at all levels of government. In this he lays emphasis on the Central Budget Offices. In contrast, my focus and concerns are rather narrow.

In the budgetary literature, the conventional view of budget execution is considered in terms of approximating the notion of administrative rationality. But the policy implementation and organization behavior literature notes the deficiency of this view. For instance, Myrtle (1983) points to the general deficiency as the "failure to connect an organization's budget to its policy implementation efforts and responsibilities" (p. 17). Although Buck did not elaborate, nevertheless, he acknowledged such failure by saying:

*It seems rather comic that legislative bodies should persist in making detailed appropriations only to see them unmade by the transfer method (1929, p. 489).*

In the context of the politics of budgeting in Illinois, Anton (1966) further elaborates on this failure, saying:

*there is no centrally organized effort to link decisions to consequences until the following decision period. In the interim, decisions which have*
erred on the side of generosity can be transformed into "accurate" decisions simply by spending more than is necessary. Decisions which have erred in the opposite direction, meanwhile, can always be corrected by submitting a request for supplemental appropriations to make up for an inadequate original grant. There is thus no reward for accuracy and no particular stringent penalty for inaccuracy. In this sense the determinations made during any given decision period for the next fiscal period are divorced from their consequences and therefore among the least important financial decisions that are made.... Many of these decisions are made without any explicit perception of alternatives. In general it is assumed that what the state organization is now doing will continue to be done because there is no other choice (pp. 179-180).

This general incongruence stems from another basic dilemma: how to execute a fixed budget in a flexible world. This dilemma can thus be conceived of in terms of treating the execution process not only as an exercise in institutional control but also as one of adjusting to the spending plan. This dilemma also adds to the ambiguity of the process. Thus Fremgen (1978) observes:

> Budgets are generally regarded as management tools of planning and control, and it is in this context that flexible budgets are so useful. In government agencies, however, budgets are also viewed as ceilings on spending authority; and this is the view that tends to dominate (p. 63).

In reality, budget execution incorporates and manages both control and flexibility in the process, which make budget execution a complex administrative craft. This is because various institutional rules, budgetary cycles, budget calendars, programs, organizational levels, funding levels, and
personalities are continuously accommodated in the settled roles and routines of the process. In order to render the craft and its complexity more explicit, a description of the process in terms of its formal procedural mechanics is needed, before the tacit dimensions can be introduced to modify the formal view.

Section 1: The Formal Mechanics of Budget Execution

In formal terms, budget execution is a phase in the budget cycle where agencies implement public policies by spending their allotments of appropriated money on programmatic actions. Moak and Hillhouse (1975) describe the process as follows:

Execution of the budget is both a substantive operational process and a financial process. It is getting things done within a time schedule by the application of all means authorized for attaining program goals, but within monetary limitations, and ideally, within standard cost limits. Since this stage covers the full fiscal year, it is usually the longest in the (municipal) budget cycle and overlaps with both the formulation and legislative stages of the succeeding year’s budget (p. 91).

Both the central budget office and the agency budget offices are involved in budget execution. While the Central Budget Offices (CBO) play a prominent role in the allocation and allotment processes, the agency offices become prominent in the disbursement and accounting process. Although this study
focuses on the agency budget offices, it is necessary to point out the importance and involvement of the CBO in the overall budget execution process.

In general, the CBO acts as the "eyes and ears" of the chief executive as well as serving as the conduit for the transmission of central directives to individual agencies. They routinely approve and adjust the spending plans as well as the work programs of the agencies. They also seek to control the overspending and underspending in order to balance the budget. They execute this through the continuous monitoring of the aggregate flow of revenues and expenditures. The importance of CBO lies in having an across-the-board perspective, and therefore the capacity (at least by organizational design) to formulate an "objective view" of the performance and coordination of various agencies and programs. This is considered important, given the tendency for agencies "to minimize or explain away data pointing to deficiencies in programs and projects" (Axelrod, 1986, p. 71). In reality, the capacity to entertain an objective view is often questioned by both the commentators and practitioners of the budgetary process (see Axelrod, pp. 73-74).

From the point of view of agency budget offices, the CBO appears differently. For instance, Axelrod notes:

Living in a real world, they are quite prepared to accept fiscal and policy constraints from the chief executive and his surrogate, the [central] budget
office. But within this restrictive framework they seek maximum flexibility, without the intervention of the central budget office, in the details and financing of their programs, projects, and policies .... Agencies often regard the budgeteers at the center as well-meaning generalists who lack the understanding and sophistication of the specialists in the agency (p. 70).

This organizational culture of the agency budget offices, allows them to be studied as separate organizational entities. This separation is entertained in order to do a more focused observation on the budget execution process. Given this observation, it also needs to be mentioned that, there is no uniformity as to the internal structures and processes among the agency budget offices.

The pattern of agency budget execution varies from one agency to another as well as across the levels of government and within each level. Furthermore, as Axelrod (1986) notes, the extent of decentralization in budget implementation varies with the political system, the political clout and managerial skills of an agency, and the management style of the administration. Where agencies have strong management systems and clearly control their programs, projects, and costs, they achieve considerable credibility with administrations and legislatures and, in general, gain more flexibility in controlling their funds. At times, though, even poorly administered agencies have such a strong political base that they still enjoy substantial flexibility (pp. 178-179).

Generally, the responsibility for execution rests with the agency head, who delegates authority to the budget/finance department and to the departmental directors. Thus the execution process encompasses management at all levels. The pro-
cess involves at least four interrelated steps:

(1) Appropriation or Allocation:

Appropriations are made by the legislature authorizing agencies to spend or obligate money within specified expenditure categories. This involves allocation, a process of breaking up the appropriation by programs, organization units, expenditure categories, or account codes, or any combination of these. The responsibility of the allocation process rests with the CBO, who assigns the appropriations to specific categories of expense so that funds may remain reserved for that category.

(2) Allotment or Apportionment:

At this step the CBO takes the appropriations that have been allocated and further subdivides them into time elements, e.g., monthly or quarterly allotments and allotment for personal or non-personal services. Where appropriations are contingent upon future events, such as the receipt of grants, a portion may be retained. Instructions may be communicated by the CBO and the agency budget office in the allotment. Both the CBO and the agency budget offices also create contingency reserves by retaining a portion of appropriations from each allotments or from previous budget surplus. Finally, the agency budget offices sub-allot funds to the different departmental and program units.

(3) Fund Disbursement or Spending:

This is the most detailed step where agency offices actually obligate or spend money from their allotments. Usually, budget analysts of the agency budget office/unit scrutinize and approve the expenditures. Then it goes to accounting, where the amount is entered in the computerized ledger, then it goes to the departments and/or the contracting office. When departments place orders or when contracts are signed, the obligations are created. When goods and services are billed and vouchers are paid, then expenditures are disbursed. The criteria of disbursements are established to ensure the accuracy and legitimacy of expenditure decisions. Budget accounting is entrusted to affect these ends through detailed financial control.
(4) **Fund Accounting or Financial Monitoring:**

This is the step where expenditures are maintained and monitored in terms of a set of self-balancing accounts. Monitoring can be a built-in device, where expenditure ceilings for spending and transfers are pre-programmed in the budget. Monitoring can also be done by timing expenditures and obligations, clamping down on year-end spending, accelerating expenditures when needed, mobilizing cash on hand, tapping agency-wide lump-sums, or approving expenditure from the contingency fund. Encumbrance accounting (the recording of actual against estimates) plays a vital control function in enforcing appropriation and allotment limits. Additionally, budget reports and accounting reports can generate cost figures that permit comparison of performance against cost standards. The accounting system is structured around the accounting codes, organized into funds, departments, appropriations, and objects and sub-object level information. This information is consolidated and updated in a general ledger. Budget accounting also produce reports on the status of appropriations, allotments, funding levels, and updates information on financial transactions.

The process in formal procedural terms can be described as follows. When appropriations are approved they are recorded by the accounting office in its books. Checks and warrants payable from appropriations are subtracted from the proper object sum, and the resulting information is summarized and made available to each agency on a monthly/quarterly basis. Thus, for any given month/quarter, records maintained by the accounting office enable the agency head to see at a glance the appropriation (by object and by total;) the amount obligated against each object during the preceding quarter/month; the accumulated total of obligations against each object account; and the sum that remains available for spending. It is these periodic summaries of expenditure on major object...
accounts which provide the information foundation of the budget forms along with the instructional materials that accompany them. Anton notes that, "the heart of the informational system is the appropriations structure, and the accounting categories which record its use" (1966, p. 28).

The accounting structure is also built around funds or fund groups, a unified records system, and basic accounting classifications (Moak and Hillhouse, 1976, p. 338). Fund is an accounting category which consists of a set of self-balancing accounts (balance sheets and operating system accounts). Funds can be conceived of as programmed accounting rules. For example, technically a shortfall in revenues received in the general fund should not be offset by a surplus of earmarked revenues paid into a trust or enterprise fund. Records are maintained by funds, which are later consolidated, and the resulting totals are organized in the balance sheet form. Funds are also legal entities which can do business or have transactions with other fund entities. Therefore, the fund structure has important effects on the broader task of resource management. The Generally Accepted Accounting Principles suggest eight fund types: General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund, Enterprise Fund, Intergovernmental Service Fund, Trust and Agency Fund, and Special Assessment Fund (Moak & Hillhouse, 1976, p. 339).
Accounting records are maintained for the funds on either a cash or a modified accrual basis. In the latter form, expenditures are recognized in the accounting period in which the fund liability is incurred except for the unmatured interest on general long-term debts and the debt supported by interest-bearing special assessment levies. On the other hand, revenues are recognized in the accounting period in which they become available or collectable within the current period (Hayes et al., 1982, p. 89).

The accounting function is structured around the Generally Accepted Accounting Principles (GAAP). The current position of the National Council on Government Accounting is that where legal provisions conflict with GAAP, the local government should prepare its statements in accord with GAAP -- together with whatever supporting schedules are necessary to satisfy state laws.

Governmental accounting is heavily weighted on the expenditure side: payroll accounting, purchasing and inventory controls, property controls, and construction project accounting. But accounting also serves certain other institutional functions. These include providing accurate and timely information to creditors (bond holders) concerning the financial status of the agency and providing correct information on the profitability of public enterprises. Hayes et al. (1982) note that the exercise of accounting controls at a level that is
too detailed not only adds to the number of units subject to control but also tends to result in frequent budget modifications. Supplementary controls on spending for certain objects and budgetary apportionments also add to the problem. The situation worsens with line-item budgets since line-item control maximizes the number of both controls and budget modifications (pp. 82-83).

This brings us to the issue of budget management. There are a variety of mechanisms to affect this. Schick (1964, 1978) identifies the most common ones to be the following:

1) "Allotment Control" -- Approval of spending plans by the central budget office or the headquarter.

2) "Position Control" -- Freezing vacancies or new positions for which funds have been appropriated.

3) "Travel control" -- Approval of travel vouchers by the agency budget office.

4) "Requisition Control" -- Approval of purchase orders by the agency budget office. This control pertains to the legality and advisability of the expenditure.

5) "Transfer Control" - Within specified limits, approval by the agency budget office of all inter and intra agency deviations from the originally approved spending plan. Beyond such limits, the central budget office approves the transfers. Generally, proposed transfers between appropriation items require legislative approval. There are two kinds of transfers. One, that involves the reallocation of funds among programs, projects, activities and object classes in the same department. This kind of transfer is rare, and when they are needed, the CBO initiates them. The other kind of transfer involves shifting funds within the same appropriation account for a purpose different than originally contemplated. This transfer process is often called reprogramming. The agency budget office enjoys discretion in reprogramming decisions, but the extent of their dis-
cretion is broadly specified by the legislature. Finally, transfer also includes the use of the contingency reserves or unencumbered appropriations for the immediate use by the agency budget office.

Among these and other control mechanisms the position, requisition, and transfer controls are the most relied upon routines for maintaining flexibility in budget execution. Budget transfer is the most significant among them. Moak and Hillhouse (1976) note:

Most operating budgets require modification through amendments during the course of the year. It is the function of the central budget office to maintain sufficient knowledge -- both through the accounting process and through contacts with the individual departments and other budget units -- to be aware of impending requirements for formal amendments to the budget during the course of the year (pp. 93-94)

If projected levels of performance do not materialize, then discussions are first held with the departmental spending units, and if necessary, with the chief executive, as to the pattern within which funds for the remainder of the year will be made available. In addition, there can be transfers, reprogramming, and the use of the reserve and unencumbered funds to affect budget adjustment and thereby manage the execution process. Finally, the year-end settlement of accounts (for annual budgets) and carry-overs to the next fiscal year (for biennial budgets) terminate the execution process. This then summarizes the mechanics of the budget execution process.

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These mechanisms, which have become the dominant conception of the execution process, convey the idea of an automated and tightly monitored process with stable, predictable outcomes. In fact, the institutionalization of procedural rationality is so pervasive that one long-time observer of the process notes:

Budgeting has become one of the great triumphs of bureaucratic order.... The books are opened and closed each fiscal year, the accounts maintained and forms filled, the purchases made and the payments disbursed -- all with fidelity to the deadlines and rules.... Budget makers came to esteem and rely on what can be routinized, the things that can be routinized generally pertain to internal operations rather than to public outcomes.... The forms and routines force one's mind to the work-sheets and ledgers, and away from the schoolroom, hospital, or ghetto (Schick, 1971, pp. 206-208).

Routinization assures that central values are institutionalized and followed by the role occupants. To strengthen this routinization process in order to serve the expanding institutional rules, there has been a constant effort to incorporate more and more of the GAAP into budget accounting, particularly at the state and local levels (Chan, 1985). The role construction that is necessitated for the stable and optimal performance of routines can be summarized as follows:

Budgetary Man, whatever his station or role, would act rationally and efficiently, regardless of his personal or organizational stakes in budget outcomes. In a budget process ruled by such men, there would be an unswerving commitment to efficiency, explicit and prior delineation of goals and purposes, objective evaluation of the cost-effectiveness of spending policies, and no bias in the inter-
change of data and analyses (Schick, 1971, p. 164-165).

The mechanics described and the roles prescribed in the formal depiction of the process remain incomplete. Far from being simple and self-explanatory, budget execution in practice is a complex accomplishment of managerial and professional competence. The exercise of such competence can thus be identified as a craft.

The notion of "craft" has many shades of meaning and application. The Oxford English Dictionary refers to the following meanings among others:

Skilled occupation; A profession requiring special skill and knowledge; Ability in planning or performing; Ingenuity in constructing; Skill to deceive or overreach (1989, p. 1104).

In these dictionary meanings, the application of the notion tends to connote the skills of managing effectively as well as skills to create and retain ambiguity.

The only work in the field of Public Administration that utilizes the notion of "craft," considers it a form of practical knowledge in administration that seeks:

to achieve goals and to meet standards, and in doing so, often managing to utilize all the creativity and capacity that practitioners can muster (Berkley, 1984, p. 8).

Berkley's conception of the administrative craft includes the reference to an objective standard, the use of a variety of techniques and materials to meet the standard; solving given
problems, and using standards in such a way that creates room for exercising one's individual imagination and temperament. The existence of an objective standard, against which the evaluation of the other elements depend, on closer examination turns out to be the most difficult one to ascertain. As Berkley himself points out:

In most administrative situations there is an objective standard lurking somewhere, shadowy and illusive and hard to apply though it may be. At the same time, there is almost never a precise formula that will invariably work best in all situations (p. 7).

Therefore, the very necessity of objective standards and the very nature of such standards render the notion of craft appropriate to describe and analyze the budget execution process in terms of the management of ambiguity. This is because craft implies the multiple and creative exercise of rules, roles, and routines and their interactions in the execution process.

The positive aspect of the craft of budget execution lies in the fact that, like any other craft, one's performance is centered on the careful attention to technical details and behavioral interactions. Therefore, the prospects of improving one's craft lie in continuously learning from practice.
Section 2: The Operational Dynamics of the Craft

One reason budget execution becomes a stable craft stems from the general incongruencies in the budgetary process. Howard and Pitsvada, who are among the few students writing on the subject, note that:

Generally, budget execution in government agencies does not demonstrate a close correspondence to that described in accepted theory. Theory presumes a stable environment where the agency is held accountable for accomplishing a well defined state of public goals. These "Laboratory" conditions simply do not exist in most agencies. The majority of agencies must implement conflicting, sometimes ill-defined goals that reflect the lack of consensus in public policy objectives [sic] (1986, p. 48).

Fisher points out that "events have so transpired that... the crucial commitments are often made by administrative officials" (1975, p. 257). Similarly, Sharkansky (1969) notes that "state and local officials may also make innovations in their policies by shifting funds within totals that grow only incrementally" (p. 106).

The question of budget transformation, although acknowledged, has received attention only in a handful of studies. Hale and Douglas (1977) point out that, within appropriation ceilings, transformations are affected during the execution process. They identify the strategic and creative uses of budgetary routines as mechanisms affecting such transformations. They report their findings as follows:

Our review identifies several major ways in which budget adjustments occur. First, conservative es-
timates of special fund revenues can increase general funding and expedite subsequent alterations. Second, accounting legerdemain frequently creates artificial "accounting" balances disguising overspending by public officials. Third, transfer authority allows administrators to shift funds between line-items and appropriation accounts. Fourth, reprogramming occurs when officials reallocate funds within a single line-item or budget account. Finally, special funds facilitate budget alterations by insulating programs from state or local controls (p. 369).

Similarly, in his review of government accounting practices, Anthony (1985) brings out how the accounting function becomes involved in the budget adjustment process. He notes:

Within wide limits, government accounting rules permit accountants to play games that lead to whatever bottom line the mayor or governor wants (p. 161).

This observation is further elaborated by Anthony in his identification of the following strategies among others:

[1] "The job of the accountant is to report a surplus, but not a large one -- regardless of the facts, ... in this way, they give the appearance of having managed their funds well" (p. 162);

[2] Practicing desk-drawer accounting, where "the accountant watches the flow of cash receipts and cash disbursements. Toward the end of the year, if it appears there may be a large cash surplus, the accountant holds out incoming checks, puts them in the desk drawer, and keeps them until the beginning of the next year, at which time they are recorded as revenues (p. 162);

[3] In order to avoid a deficit, accountants may "keep the books open for a few days at the end of the year. The accountant then credits additional cash receipts to the year that has actually ended (p. 162);

[4] Accountants may "charge the general fund for expenditures that properly belong in the special revenue fund
or capital projects fund" (p. 167).

Transformations through procedural routines thus come about in a variety of ways. Usually general funds lapse at year's end, but special funds do not. Therefore, flexibility over the expenditure can be created by recording expenditures in the special fund accounts that are originally designated in the general fund accounts. In fact, the legal status of Funds may allow such transactions, and the GAAP also makes such practice permissible. Funds may be transferred from one agency to another either to meet a shortfall or to provide the CBO with funds to meet some contingency. Obviously, such transfers affect the operation of agency spending plans, but satisfying the central budget office's demand rather than sticking to the plan is often deemed a politically smart move. In fact, repeated reprogramming establishes the factual evidence for justifying new projects or the necessity for increased appropriations.

Furthermore, planned spending may be cut due to fiscal policy demand, appropriated funds may be released late in the year due to different budget calendars, grants may not materialize or are released late, or matching funds requirement may demand immediate encumbrance, creating cash flow problems. On another level, planned hiring may be deferred or not materialize at all. All of these situations regulate the release of funds or create the shortfall of funds, thus triggering
budget transfers. For these reasons and others, discretionary judgements are endemic in the expenditure process. This not only inscribes a new dynamic in the execution process, but in their cumulative effects, it also weakens the conventional idea of budget execution as a process, driven totally by the logic of appropriation or legislative intent.

Observing local budgetary practices, where the stability of budget execution is generally presumed to be the greatest, Hayes et al. (1982) state that there are incongruencies and inadequacies in the process. They identify the followings as common to local government budgeting:

(1) In most local governments the financial components are not adequately interrelated.

(2) The system is fragmented. The budget staff is concerned with budget preparation and expenditure control but tends to sleight the performance aspects of budget implementation. The accountants concentrate on the minu-tiae of expenditure control. The program administrators do what they have to do and may or may not worry about the effectiveness, efficiency, and quality of program performance.

(3) Decision making in the budget process is hampered by the lack of adequate information on program performance and results and of financial data that fits budget program categories.

(4) Administrators are told what they have to spend, and spending limits in most -- but not all -- local governments are usually observed and enforced. Data on emerging expenditure problems, however, are often not reported promptly.

(5) Administrators are not usually told what they are expected to achieve in terms of program performance results. Often, performance is not measured, reported, monitored, or even related to costs.
Little attention is given by any of the parties involved to the need for interim corrective action to balance performance against costs as the budget plan is implemented and modified.

The financial system is, in most localities, evaluated by periodic financial and compliance audits. But without independent assessments of program efficiency and effectiveness, programs can be funded and operated without knowing whether they are worth what they cost or whether they could be more efficiently managed. Despite the nature of the above incongruencies, financial controls in budget execution have largely evolved as independent routines, fulfilling a largely limited technical function. In the face of considerable evidence to the contrary, this remains the dominant identity of the process. As a consequence, the issue of whether public policies are realizing their ends through the expenditure process remains a peripheral concern.

Even the accounting function, generally held to be the guardian of certitude and accountability, is not immune from incongruence. For instance, Hopwood (1973) writes:

An organization's economic structure is never precisely known and any accounting system can only attempt to represent its complexity approximately. ... Accounting systems are usually designed to serve a variety of purposes. But in trying to satisfy them all, inherent contradictions emerge and the reports may often fail to satisfy perfectly the requirements of any single purpose. As many have discovered from bitter experience, the availability of information in no way ensures its acceptance and appropriate use ... rather than being passively absorbed, information is interpreted in accordance with the manager's own personality and the social beliefs, pressures and purposes of his environment. As a consequence, the final impact of the accoun-
tants' activities is often problematic, differing radically from his original intentions.... Social processes make the final effectiveness of the accounting system dependent upon the whole fabric of the enterprise. It cannot be viewed in technical isolation (pp. 1-5).

For example, an unfavorable budget variance may be viewed as an indicator of poor managerial performance, even though the variance might have merely reflected imperfect accounting standards. On a similar note Anton observes:

To be sure, quarterly and sometimes monthly statements of expenditures from object accounts will exist. But if accounts have been juggled, these statements may well range from slightly to highly inaccurate and in any case will report dollar sums without reporting the nature of the purchases made. Second, since it is these same summaries of expenditures from object accounts which provide the most important basis for calculating budget requests, their inaccuracies are carried over, as it were, to the processes of budgeting and appropriating, where they serve to trigger the series of responses which constitute the various decision-making roles (1966, p. 204).

These unintended and institutionally built-in outcomes help us understand the budget execution process by taking us away from the formal mechanics of the process and into the dynamic process that it really is.

At the micro-level, this dynamics is constituted of the various role players and their use of procedural routines. Moak and Hillhouse observe that,

execution of the budget requires a complex mix of leadership, shared responsibility, operational directives, controls, new and adjusted planning and programming, and frequent reviews and reappraisals (1975, p. 94).
In a survey of information needs of budget officials Engstrom (1979) concludes:

city officials would like to have much more performance and program data than is now being provided for them as they make budget decisions.... **Chief executives express more of a desire for performance and program data than do budget directors** (p. 59).

In another survey of how budget officials define budget success, Duncombe and Kinney (1987) report that a majority of them define budget success as "**flexibility in the use of appropriations.**" Furthermore they conclude that,

flexibility meant: (1) avoiding restrictive language in the appropriations act; (2) reappropriation authority allowing the agency to carry forward unexpended or unencumbered appropriations into the following year; or (3) having open-ended authority to write grants and use the funds secured from the grants without having state funds cut ... success is not getting too badly beaten in the appropriation process and surviving the fiscal year with dignity. (They conclude saying), flexibility in using funds can result in more effective program administration and service delivery because agencies can use their funds where and when they are mostly needed. Finally, through good budget execution, an agency can enhance its reputation and credibility, (and) administer its program more effectively (p. 35).

A similar observation is made by Reed and Swain, who note:

Formal decisions are broad and general. As one moves from policy to operational levels, expenditure authority is communicated less formally. Those using resources prefer informal communication of expenditure authority for two reasons. First, formalities consume time and personnel resources. Second, documentary records constrain. **Central officials try to increase control through general roles and requirements for information, while operating officials seek autonomy by arguing that their situations is unique, that recording require-**
ments are burdensome and pointless, and that they know what to do.... They make deals, place orders, hire people, enter into contracts, and otherwise spend money. At this point, expenditure administration often becomes the more informal activity of managing (1990, p. 169).

Although, budget officers' preferences vary in terms of their views on budget execution, in contrast to the views of the accountants, they value flexibility over control. In fact, the formal set-up of the accounting system can neither accommodate to flexibility nor facilitate such flexibility. Rather the pursuit of general principles makes the accounting function concentrate on general system-wide controls, than respond to the contingencies of agency operation. The presentation of these principles and their operational value is generally appraised on their technical merit and hence considered to have a neutral effect on the substantive outcomes of the execution process.

Under such a technical conception of accounting, the drawbacks of the execution process then inevitably get identified with the incompetence of budget managers or the political environment of budgeting. But that there may be systemic elements involved in the permanence of incongruence is generally missed by the observers who stress the formal mechanics of the process.

A behavioral focus on budgeting at the micro-institutional level allows us to see execution as flexible, discretion-
ary, and informal, yet at the same time following all the procedural controls and institutional values. Hofstede (1968) argues for the "game" metaphor to convey such a dynamic description. He writes:

The basic problem is how budgeting can be considered a game, because it is part of a formal, purposeful control system, and it should remain part of it. However, the answer is that this control system has repeatedly proven to be self-destroying when used in a direct, mechanical way. It is so complicated because of all the technological, economic and human elements involved, that in a mathematical sense its operation is over-determined -- like five equations with four unknowns. In order to make it viable, a "play" or margin or tolerance or random element must be introduced into the system, and this is the condition that makes it possible to exercise budget control as a game. This 'play' must therefore be valued positively ... "play" is a condition for reaching a psychological and economic optimum: for avoiding the waste of destroying people's motivation (p. 80).

Similarly, Cyert and March (1963) use the concept of budgetary slack to explain the unintended games in the control system. They write:

The fragmentation-interdependence problem is reduced when the budget process has a good deal of slack -- the disparity between the resources available to the organization and the payments required to maintain it (p. 36)

The nature of information-processing in budgetary decision-making provides yet another clue toward understanding the dynamic nature of the craft. A formal basis for such dynamics is described by Crecine (1985) in the following terms:

Information processing approach to public spending decisions focuses on information, interpretations
of that information, and the ways in which it is collected, structured, and processed. Some types of information are specified, broadly, by the nature of the task environment faced by the organization or complex information-processing system. Other types of information are organic to the strategy employed for coordinating the various parts of the information-processing system itself (p. 118).

There are two interrelated themes in the above passage. The first theme concerns the nature of information processing in budgeting ("Information, interpretations of that information, and the ways in which it is collected, structured, and processed.") This form of information processing involves the accounting procedures, i.e., forms, ledgers, and reports. The second theme concerns the different types of intelligence implicated in the process. The first type is one that is conveyed in institutional rules, ("specified broadly, by the nature of the task environment faced by the organization.") Examples of such intelligence are budget balance, fiscal policy, efficiency, standard cost, and obligation plan. This type of intelligence becomes the carrier of institutional values, which supplies the premises of budget decisions. Such premises bring into agency attention particular definitions of reality that have to be accommodated with the definitions that exist within the agency sub-culture. The second type of intelligence is one that is conveyed through agency practices and norms ("one that is organic to the strategy employed for coordinating the various parts of the information-processing sys-
Such intelligence emerges from the actual role-routine interactions and brings into agency consideration pragmatic norms that allow workable trade-offs between contending institutional values, e.g., efficiency and effectiveness, discretion and control, and adjustment and conformity.

In budget execution, budget transfer and budget accounting act as anchors for both types of intelligence. During budget execution, the interactions among roles and routines involving both types of intelligence affect modifications in the budget. The interactions are neither mechanical nor predetermined but rather are mediated by the meaning attributions in each agency sub-culture. Ambiguity may be an unintended structural outcome of such meaning attributions. For example, budgeteers who value flexibility find ways to exert their competence in the execution process while going through the procedural and role requirements. And yet, accountants who value control also manage to claim budgetary success through adhering to the technical standards and in the exercise of their professional competence. Therefore, the interaction of roles and routines beneath their apparent stability retains a dynamism that generally goes unnoticed in the formal depiction of the budget execution process. Caiden point to this, saying:

> the familiarity of everyday routines and the difficulty of perceiving a meaningful pattern beneath seemingly isolated events often conceal the passage of radical transformation (1985, p. 495).
But lacking a micro-analytical framework, such observation fails to explain why budget transformation is affected by the roles and routines in the implementation process and how transformations are negotiated without having to change the formal identity of the roles and routines.

In general, agency budget officers -- with their closer ties to the departmental heads and agency head, as well as their knowledge of the legislative process -- are more sensitive to and feel more comfortable with the budgetary games than do accountants who adhere to an autonomous professional standard and are generally more concerned with gaining certitude through detail control.

On a more aggregate level, Lynch (1979, pp. 10-102) categorized the budgeteer role into four ideal types: "the true rational-believer," "the pure-reactive," "the budget-wise," and "the wise-budget person." The budget-wise person works on the premise that decision-making should follow the rational approach. If decisions do not follow that approach he/she calls the decision highly questionable and in error due to poor professionalism or the unfortunate intrusion of politics into decision-making. In contrast, the reactive budgeteer is governed by the budget calendar, budget manuals, or job description. This type sees the budget role in terms of the discrete tasks to be accomplished through following the standard procedures. The budget-wise official is one who is
aware of all the forms and tables but discounts their effect because he/she recognizes that politics is sometimes of over-riding importance. He/She also believes that analysis has its limitations but can often greatly help in decision-making. He/She values playing things straight, having a grasp over details, being tight with money, and yet capable of recognizing a political necessity when it is present.

All four types display different, but nevertheless overlapping cognitive orientations. Such orientations have deep consequences in the formation of role expectations and role interactions, and the use of procedural routines. For instance, faith and confidence in the normative theory of rational decision-making make one indifferent to the fact that many programs have vague and multiple goals. Substituting vagueness with more concrete operational goals, while it may satisfy one's criteria of rationality, fails to tackle the values implicated in the multiplicity. Secondly, such faith may lead one to spend more time, energy, and money on analysis when the end result may be as useful as the one generated through more limited analysis. The reactive role fails to avoid potentially foolish mistakes, while the budget-wise role fails to appreciate the value of analysis where it can be effective. By definition, Lynch made the wise-budget person the ideal role for the budgetary process.
In addition to these roles, professional accountants offer yet another role in the dynamics of budget execution. They are generally identified to operate either in the rational or the reactive mode. For instance, Thompson and Jones (1986) note that,

The relevant literature tell us that controllers are highly risk averse, particularly with respect to outlay estimates. They are held to be risk averse, not because they are inherently cautious, although many of them are, but because of the incentives they face. Controllers are rewarded for their success in matching resources and outlays. Consequently, fiscal balance tends to be their primary objective.... (Thus they) give greater emphasis to the certainty of outlay estimates than to the quality or quantity of service outputs... (But) such risk aversion contrary to their intent may induce tolerance for task inefficiency and even slack, by executing budgets so as to produce savings that may be appropriated when unanticipated problems arise (p. 547).

Such incongruence within the accounting role is also noted by Gordon and Sellers (1984). Their study concludes that when resources are scarce, budget recipients (Accountants) prefer accounting to be out of phase with budgeting; congruency is preferred only when resources are abundant. This brings into doubt the conventional belief that accountants always prefer congruency.

Based upon these observations it is reasonable to construe that when different role orientations interact they create multiple expectations and meanings over their action and their joint outcomes. This view finds support in Schick,
when he notes:

Budget players have multiple, overlapping, and reciprocal roles... but each participant has his distinctive role mix that distinguishes him from the others (1971, p. 64).

Anton (1966), in his study of the Illinois budget process, takes the point much further, saying:

there are no 'theories of organization' or 'principles of administration' from which actors have derived the rules governing their behavior. Nor are there any abstract principles, such as efficiency, rationality, or consistency, which are used by actors to organize their activities. Instead the system is organized according to expectations regarding a thoroughly specific set of objects and actors, held together by symbols which are peculiar to this system and to no other. The 'rules' that are followed are not deductions from principles to be imposed on behavior but habitual and largely unrationalized outgrowths of years of doing the same thing in the same way with the same men... In orienting themselves to other participants, actors normally pay far more attention to the attributes of other actors than to the performance characteristics of their roles (p. 193).

Pressed for joint, reciprocal, and coordinated action, the role-routine interactions necessarily become focused on getting the job done. There is no pre-established meaning to the formulation of "getting the job done." It is interpreted in a variety of ways by a mix of institutional rules, traditions, norms, personalities, cognitive preferences, time of the year, politics as well as by the logic of the situation. Therefore, the patterns of role-routine interactions creates their own sub-culture -- each having its distinctive strategies, behavioral expectations, and even modes of communication. Anton
observes:

Wise budget officers very quickly learn two things. First, they learn that questions concerning their budget requests almost always arise from the record of expenditures made by the agency. Second, they learn that the accounting system is sufficiently ambiguous to offer them considerable leeway in determining charges to be made against particular accounts... As one such official put it, "Any budget officer with half a brain knows perfectly well that he can cover up any expense he wants to cover up simply by juggling his accounts; I've done it many times myself". Though perhaps exaggerated, this statement does illustrate the widespread disregard for budget categories as mechanisms relevant to internal agency operations (pp. 47-49).

In this passage, Anton sees ambiguity as an intentional strategy in budget management that leads to a disregard for the formal mechanics. In other words, to have ambiguity one necessarily undermines the formal order. But Anton's observation is singular on this issue. Almost all observers of the process commented on the near veneration of the mechanics, while at the same time acknowledging ambiguity. Without resorting to the psycho-social attribution of false consciousness to the budgetary actors -- which implies that, somehow they have been duped to think of the process as stable while it is not -- and without denying the possibility of using ambiguity as an intentional strategy, one can only understand such phenomena if ambiguity is seen as the unintended outcome of the interpretive process.

Ambiguity does not necessarily lie in the juggling of accounts, but in the various interpretations of what such
juggling means. Ambiguity thus needs to be seen in the institutional context of interpretation. In this formulation, the existence of ambiguity does not contradict the maintenance of stability and continuity of the process. In fact, such stability and continuity may be made possible in part by the very retention of ambiguity. Otherwise, any process in order to reproduce itself through a stable set of roles and routines will need to have a continuous consensus as a precondition of its operation. However, as we know, consensus is not a prior condition but one that emerges from and through negotiation and control.

In fact, within the craft of budget execution certain strategies are followed that in a very paradoxical way can be termed the "generally accepted budgetary principles." It is paradoxical in the sense that its operational premise and functional outcome are exactly the opposite of the more institutionalized "generally accepted accounting principles." These strategies can thus be termed conventional wisdom in the budget execution process. Examples of such wisdom include:

1. Spend all appropriations and, if possible, a bit more.
2. Avoid any sudden increase or decrease in expenditures, and try to maintain a constant expenditure level.
3. In case of conflict between these two rules, the former is to be preferred.
4. Create slack resources whenever possible.
These sub-cultural or micro-level strategies not only accommodate their own local circumstances but also the institutional rules that are operative in the process. The incorporation of GAAP and achieving a balanced budget are two such rules. Both carry the symbolic and practical effects of fiscal responsibility and fiscal integrity. From a broader historical perspective, Schick traces the institutional rules and their incorporation in the budget process as follows:

The emergence of modern budgeting occurred during an era in which many public and business leaders were skeptical of the value of government programs and expenditures. To those who regarded government as a "necessary evil", the job of budgeting was to minimize the evil by holding government spending in check...The accountants who took command of the budget offices were trained in the methods of control and committed to line-item operations. Technique triumphed over purposes, as budgeteers settled into the busywork of maintaining financial accounts according to the prevailing standards of efficiency and accuracy (1971, pp. 21-22).

Therefore, the micro-institutional dynamics of budget execution involve the management of emergent interpretations with the existing ones through the interaction of roles and routines. Budget execution, through such interlocking of roles and routines, thus is transformed from being seen as an organizational calculus of objectivity, accuracy, and rationality into a craft that is creative, yet stable and continuous.
Section 3: Interaction of Roles and Routines in the Budget Execution Process

In the budget execution process, the information system conveys more than the policies and definitions of categories. It also carries cues on the nature of role expectations from and to the budget officials. Anton makes a similar observation when he notes:

Data are more tractable than are roles; participants are likely to seek and use the kinds of data that suit their preferred roles rather than to adjust to assigned informational resources. Accordingly the distribution and use of information will be determined largely by strategic factors rather than by an objective division of labor. The actual distribution probably is based on reciprocal arrangements among the participants rather than on a specific formula that carves out distinct domains for each. In a fragmented political environment, budgetary roles tend to overlap and to be ambiguously and informally defined, with a resulting tendency to use similar data throughout the budget process. Furthermore, the fragmented budget situation allows each player to call his own tune and to have considerable autonomy in responding to the tunes of others. (Therefore Anton concludes), regardless of the manner in which the activity is carried out, the nature of the activity in all agencies is determined by existing informational categories and the subculture that has developed around those categories (1966, p. 190).

The dynamics of this process are carried in both verbal and written communication. In the budgetary literature, verbal communication is given some recognition mainly in the formulation process, but not in the subsequent control and adjustment process. The description of the control process entirely relies on written communication. Hofstede (1968) notes that,
"in general, the accounting literature pays little attention to non-written control reporting" (p. 33). Yet, person-to-person communication between staff and line assumes more importance for the use of reports than the formats of their presentation. This is because figures and data need to be translated in terms of the context of their use.

Therefore, it is important to conceive of the actual process as an interaction that involves both forms of communication. While budgetary routines capture the written form, budgetary roles capture the oral. The dynamics of budget execution thus can be observed in the "accounts" of such interaction. Interpretation of information, the manner in which they are put to use, and the role expectations that are entertained all take place in such interaction. That is why, despite the dominant control orientation, so much flexibility, strategic behavior, and interpretation are found in the process.

For instance, modified accrual accounting introduces complexity on a routine level. The modified accrual method calculates revenues and expenditures on different bases, the former cash, the latter accrual. Therefore, the difference between revenues and expenditures can be rendered an ambiguous measure of change in the overall financial condition. This is particularly true when the modified accrual basis becomes the preferred accounting practice for some categories of funds and cash or full accrual for others. In such instances, the
simple comparison of financial condition across different funds tends to become ambiguous.

Budget information is stabilized primarily through procedural routines, e.g., transfer, reprogramming, and purchase orders. The basis of interpretation is built upon questions and justifications. By reading between the lines or by using the literal meaning, whichever is deemed expedient, budget officials not only become aware of the kinds of questions and justifications that are to be interpreted but can use the information itself to mean different things. Commenting on the behavioral interpretations that stabilize role performance, Anton notes:

people can be required to explain the expenditures they make or want to make. Whether or not the explanations offered can be made to square with financial accounts is less important than the personal relationships which define agency officials as "trustworthy" and reviewing officials as "responsible" (1966, p. 204).

Therefore, meaning creation through the definition and interpretation of categories is very much part of the organizing activity of budget execution. Thus formally the execution process remains the same -- all procedures are followed, all rules are upheld, yet different interpretations of action may coexist. Therefore, beneath the apparent stability of the system there is considerable dynamism, which depends more on the craftsmanship of the budgeteers than the rational requirements of the process.
Depending on how transactions are recorded and interpreted, figures contained in the budget forms can provide the needed justification. It is the providing of both written and oral justifications, as well as making behavioral appraisals, that lies at the heart of budget execution. This is partly due to the fact that appropriations do not provide comprehensive definitions for each object-item and cannot hope to cover the variety of expenditure situations that arise. This increases the scope of deriving different justifications for expenditure decisions. Here too, adherence to institutional rules and to their interpretation gains importance. Even though different justifications may be forwarded, they are always couched in the symbolism of efficiency, effectiveness, public service, and professional standards. Thus, Anton notes, institutional officials necessarily have considerable leeway in determining which accounts to use for which payments. He illustrates this point as follows:

Should an ophthalmologist brought into a state hospital to examine patients' eyes be paid from the "Personal Services" or "Contractual Services" appropriation? Or perhaps the "Travel" appropriation should be used, particularly if the specialist is located some distance away from the hospital and if both the Personal Services and Contractual Services accounts are running short of funds. Certain employees of this same hospital, who live in buildings that are part of the complex, are granted a reduction in rent as compensation for overtime work. Should this be recorded as an increase in "Personal Services" or as a decrease in "Maintenance" allowance (1966, p. 69)?
Examples of craftsmanship defy categorization, but following the study of Hale & Douglas (1977), a few can be noted:

(1) Deferring hiring, travel, training, and purchase.
(2) Use of one account to fund activities in another account.
(3) Transferring funds between departments or agencies.
(4) Reimbursing last year's activities in the current year.
(5) Reprogramming funds from one program to another.
(6) Reinterpreting accounts or shifting funds from general funds which lapse at the year-end to special funds that continue.

All such devices and others are used to ensure flexibility, attain programmatic goals, serve agency interests, and enhance the status of the budget office, all at the same time. Such craftsmanship is not only a sub-cultural phenomenon negotiated through the interactions of roles and routines, but also a reflection and accommodation of systemic concerns that are institutionalized in the process. At the macro-institutional level, Caiden (1984) depicts the retention of ambiguity as a systemic feature of the institutional dynamics:

As budget processes and institutions have reacted to fluctuating and conflicting demands upon them, the situation appears fluid, unstable, and ambiguous.... The packaging of decisions increases centralization and sharpens conflict, but also provides opportunities for leverage and bargaining.... The increasing complexity of budget data and the importance of unifying assumptions enhances the power of leadership, but also broadens and deepens the scope of budget debates (pp. 109,116,117).
The instances of multiple interpretation rooted in institutional dynamics can also be observed in the multiple interpretations of reconciliation estimates and budget cuts. Cuts may be seen as savings affected to increase efficiency, or they may be seen as a reduced commitment to needed public service, or even as changes brought about by accounting gimmicks. Therefore, concepts like cuts, savings, and budget balance carry both symbolic and practical meanings to different role players or the same role-player located at different positions in the process. The conceptual framework depicting ambiguity in budget execution can be summed up in terms of the interaction of the discretion and control dynamics of the process. Budget adjustment and budget accounting constitute two principal procedures affecting the dynamics.

[I] Budget adjustment procedures bring discretionary judgment to bear upon expenditure decisions. Such procedures include fund transfer, reprogramming, deferment of spending, cutbacks, and cash management. Transfers refer to the movement of expenditures between accounts or set of accounts, while reprogramming refers to the changes made in spending plans within an account or set of accounts. Budget adjustments occur in response to shortfalls in revenues, changing financial conditions, programmatic changes, and salary savings due to deferred or delayed recruitment.

[II] Budget accounting procedures bring institutional control to bear in expenditure decisions. These include generally accepted accounting principles, fund balances, indices of cost effectiveness, etc. To ensure accountability, such procedures monitor the financial transactions and the efficiency of agency operations, and relate executive actions to the spending plan. Management decisions on how to operate, to a great extent, are based upon the information provided through
the accounting procedures.

During budget execution, both procedures become interactive -- through the roles and routines followed by the budget officer, the accounting officer, and the agency head. The role-routine interactions of these officials not only affect modification in the budget but also control such modification. The interactions are best seen as mediated through meaning attributions. Ambiguity is conceived of as the unintended outcome of such attributions. It is not simply a matter of going through the motions, but a political art involving the interpretation of rules, roles, and routines that are embedded in the process. Just as incrementalism in the budget formulation process or slack and redundancy in the budget execution process serve as aids to calculation and compromise, ambiguity may also be seen to serve similar purposes in the budget execution process. This conceptual framework is shown in figure 5.

<table>
<thead>
<tr>
<th>Budgeting</th>
<th>Accounting</th>
</tr>
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<tbody>
<tr>
<td>Rules</td>
<td>Policy direction</td>
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<td></td>
<td>Appropriation</td>
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<tr>
<td>Roles</td>
<td>Agency Head</td>
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<td></td>
<td>Budget Officer</td>
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<tr>
<td>Routines</td>
<td>Transfer</td>
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<td></td>
<td>Reprogramming</td>
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<td>Deferment</td>
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Figure 5: Conceptual Framework Explaining Budget Execution.
Having narrated the dynamics of the budget execution process through the accounts of other students of the process and my interpretation of them, I have tried to demonstrate such narration as a component element of the methodology of "account analysis." Therefore, my conceptual rendition of ambiguity in the budget execution process is an interpretation arrived at through the existing accounts. It is an interpretive act, because I tried to read from such accounts meanings that remain either obscure or unexplained in the original. Therefore, from such "account analysis" it is possible to identify, articulate, explain, and make explicit attributes of the execution process that are only implied in them. The intent here is to extend my interpretation to the ambit of shared understanding rather than to gain a consensus over opinions or observations.

To further negotiate the conceptual accounts with the accounts of the practitioners, account analyses of thirteen budget officials in five agencies are presented (Chapters VI to IX). This is the subject matter of Part C, which lays the empirical basis of my discussion.
PART C

NATURE OF EMPIRICAL OBSERVATIONS INVOLVED IN THE STUDY: ACCOUNT ANALYSIS OF BUDGET OFFICIALS IN FIVE AGENCIES

The discussion in chapters VI through X is based on the analysis of accounts given by the practitioners of budget execution. The discussion replicates the order of the conceptual accounts presented in the previous chapters. In each chapter, the discussion proceeds first with the accounts of the agency heads, the budget officers, and the accounting officers. Selected accounts that seem relevant for discussion are provided. The purpose here is to give the readers a basis to form his or her own interpretation of the accounts (excerpts are highlighted in the bold to convey my emphasis).

Keeping in line with the methodology, the accounts are not the mirror image of the theoretical constructs. Rather they offer an empirical basis to seek clarification of the theoretical arguments. Therefore, the discussion lacks the familiar articulation of a step-wise argument that "validates" some stated hypotheses.

Chapter VI gives an overview of the budget execution process in five agencies. Chapter VII, differentiates the control process from a singular conception to a multiple one. Chapter VIII picks up on the latter theme and differentiates the roles performed in the process. Chapter IX discusses the routine procedures in the process and links them to the role-routine dynamics. Finally, Chapter X brings together the general observations on ambiguity in the budget execution process.

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CHAPTER VI: OVERVIEW OF THE BUDGET EXECUTION PROCESS IN FIVE AGENCIES

This chapter is organized into three sections. The first section offers some general observations on the budget execution process in agencies. This is followed by the next section, which elaborates on the observations on each of the five agencies. Finally, a concluding section combines the observations in this chapter in order to carry forward the discussion into the following chapter.

Section 1: General Observations of the Process

When individuals were asked to describe the budget execution process in their agencies, without any exception, the answers began with the mechanics of the budget formulation process, even when I defined and clarified what is meant as budget execution. The depiction of the mechanics varies however with the nature of the agency. For example, the budget director of the federal agency provides the following narrative:

Well, before I get into execution, we have to talk a little bit about formulation. Agencies price out and define the requirements to carry out their missions for the next couple of fiscal years, then the headquarters consolidates the requirement of all the component agencies into one overall budget document, which they in turn forward to the OMB and other review agencies, after which we call the
budget scrub, when they have to testify in front of various congressional committees. We eventually get back the operating budget for the year to carry out our mission. Now this year it's sort of typical, we still don't have our FY 90 figures, here we are almost finished with the first quarter of the fiscal year and we still are operating on our continuing resolution, and we are still not exactly sure what that annual expense is going to be. But in theory, we should have that amount by the first of October, so we in turn can distribute the budget to all our operating elements, so that they can plan their fiscal program throughout the fiscal year.

The latter part of the narrative, which deals with budget execution, stands in contrast with the former part, which deals with the budget formulation process. While budget formulation is narrated as a rational and step-wise process (a planning orientation), budget execution is narrated as a tactical and situational process (a managerial orientation focused on uncertainty absorption). Two further observations warrant attention in the narrative.

The first relates to how the Budget Director connects the formulation with the execution process. In his words, "we eventually get back the operating budget for the year." In other words, what the director is conceding is that budget execution does not wait for the completion of the formulation process. This means that, in practice budget execution operates both within and beyond the logic of the formulation process. This is indicated in the last statement, where the director nominally affirms the rationality of the process:
"In theory we should have that amount by the first of October, so we in turn can distribute the budget to all of our operating elements, so that they can plan their fiscal program throughout the fiscal year." This gap between theory and practice is not only academic, but an actual fact which is registered in the understanding of practitioners.

The second observation on the narrative has to do with its omissions. By now it is a fairly established fact that budget formulation involves a political process operating through top-down intervention, bottom-up bargaining, game playing, or a combination of all three. But in the narrative none of these elements are mentioned. Therefore, it can be argued that budgeteers carry a bias in considering the process as rational even when the practice of budgeting is reported to be otherwise. This lack of acknowledging the political dynamics in the description of the budget process is not a linguistic oversight on the part of the practitioners. It is indicative of the tacit nature of politics in the budget process as well as the culture of meaning construction among the budgeteers.

A second narrative provided by the budget officer (budget director) of a state agency is as follows:

Let me tell you how we formulate the budget. A budget is a plan we are, and I think I can truthfully say this, we are a fairly conservative agency. When it comes to the question of spending money, we just don't willy nilly spend money on frivolous
things. The goal is to try to provide as much money as we can for construction... During the budget formulation process if somebody is asking for something for what is called non-construction categories, we go through not only a request process, but a hearing process within the department at various levels... If it makes through that process, then they go ahead and execute that plan. But like all good plans, sometimes you have them go under and sometimes go over..., because, between the time of budget formulation and execution, there can be as much as eighteen months. The problem is that either something new or better or cost effective has come out or the price has gone up, or somebody has flat underestimated.... We are not like a general fund agency, essentially our main mission is to construct roads and maintain roads, but in doing that we have programs, budget programs. Money is appropriated by the General Assembly to those programs, and then it is up to us to break those dollar amount down for the operational needs.... The development of the amounts that are appropriated for those programs is also done kind of bottom up, but it is not done on a specific line item. We do an annual budget that breaks those dollars down to operational units, they may cross-over various program areas, so they can tap into what they need to do their thing .... We ask them what they plan to spend, and literally it is broken down by the line items that are in the state's accounting system.... We use incremental budgeting, no matter what kind of system of budgeting there is. I can tell you from my experience that there is only incremental budgeting. All else are fads.

In this narrative budget formulation is described as a rational and planned process, where conservation is the meaning of rationality, while budget execution is described in terms of absorbing uncertainty and exercising expenditure control. This is reflected in the argument that, while the budget is a plan, the time-lag between formulation and execution necessitates the modification of the plan. While it
is reported that the development of the amounts that are appropriated is done on a programmatic basis and not on a line-item format, a few lines later it is also reported that, expenditure plans are "literally" broken down by line-items following the state accounting system. This multiple usages of the line item format is not a self-contradictory or weakly articulated description. Its meaning is rooted in the tension of upholding the process as rational, while acknowledging action that is practically expedient. As the director admits, "We use incremental budgeting, no matter what kind of system of budgeting there is."

Here too it is noticeable that politics is not mentioned in the process dynamics. Nor does the admitted gap between theory and practice create any difficulty in considering the process as rational. Thus it can be argued that the meaning of the process is a cultural construction, making it possible to simultaneously hold the budget process as both rational and non-rational.

A third description comes from the narrative of an agency head (County Administrator), who gives the following account of the process:

If I can take a moment and explain to you a little of how we handle the process and put the document together, that might help. During the budget process I meet with the staff and departments individually, and we set overall objectives to begin with, so that they know what the priority issues are..., and the document is prepared with those
priorities in mind. When it is submitted by the departments, they submit a balanced budget. We give them target allocations and appropriations on amounts that's are roughly what they had last year plus any new expenditures at the time.... They also give me a list of unfunded items, and we discuss those, because there may be something that should be higher in priority, and in some cases I give them additional money. That goes to the board. So the board knows what we are not able to do and what we are able to fund. During the year we review those. I review those periodically when emergencies come up, personnel turnover takes place, whatever.... I go by programs. We have detailed line items to develop that, but then I work with the programs.

In this perspective budget formulation is also considered a rational process (goal directed) with emphasis on planning. Budget execution on the other hand is less plan oriented and contingent in focus (situational). Here too, there is no mention of politics in describing the process. Also, the planning imperative is blended with the traditional mechanics of the process. The distinct element of this account, in contrast with the other two, lies in the explicit absence of any theory-practice gap and the more personal style of the narrative. Both distinctions reflect the cultural context of budgeting. In the county office, budget operations are within the personal knowledge and authority of the County Administrator. This is reflected in the frequent use of "I" over "We," while describing the process. Administrative subculture, far from being a passive construct, plays an active role in constructing the meaning of the execution process.
Four broad observations can be registered from this preliminary discussion.

1. The budget formulation process sets the broad parameter for the budget execution process.

2. The budget execution process reconciles the imperative of planning with operational contingencies.

3. Politics is not entertained as central to the dynamics of the process.

4. The meaning of budget execution as a rational process remains despite many incongruencies between the stated objectives and actual operations.

Taking all four observations together, it can be argued that there is an explicit and a tacit dimension in the budget execution process. The coexistence of both dimensions is a cultural achievement that ensures the stability and continuity of the process. In the discussion that follows, I shall elaborate on this argument in terms of both the mechanics and the dynamics of the budget execution process.
Section 2: Observations on the Budget Execution Process in Five Agencies

Agency 1: Budget Execution in a small Municipality, (Blacksburg, Virginia)

The municipality operates through a council-manager form of government, with the Town Manager exercising central authority over the budget. The budget manual assigns to the budget a variety of purposes. It states that:

As a planning tool, it provides an opportunity for all program managers to review and evaluate their existing programs, adjust efforts where necessary, and plan the efficient allocation of resources for the coming year. The budget can also communicate to elected officials, and the community at large, the many services offered by the locality and provide insight into how those services are performed. Once the budget is approved, it provides management with a control mechanism for ensuring funds are expended to meet the planned budget objectives (Town of Blacksburg, Budget Manual; 1990, pp. 90-91).

The task of realizing these purposes is primarily borne by the Finance department. Although the Town Manager retains the authority over budget execution, he offers a different account of his functioning in the process:

The predominance of the manager's involvement is not necessarily in budget execution, but it is in budget formulation and budget development process, because, from the manager's standpoint, I am more interested in the results. Once the budget gets adopted, and gets translated from policies and work programs, and goals and objectives, once those become translated into accounting functions, as far as from the manager's standpoint I just tend to be more of a visionary and am interested in programs and the results .... I look at the totals in the budget printouts. I do not go down line-item by line-item, and circle
line-items and say, Uh...Oh... you're out of line here. I look at the total department. That's what I concentrated on... unless there is a problem that has been pinpointed by the Finance Director.

In this account, the agency head not only heightens his role conception, but insists on a total comprehension of the budget, yet he declares his involvement in the execution process to be minimal. Furthermore, he holds budget execution to be a self-propelled process by virtue of its being translated from policies into work programs and accounting categories. The execution of the budget then clearly lies with the Finance Director, who functions as the budget officer in this agency.

The Finance department receives allocations for sub-departments for the various line-items. It in turn disburses the funds through purchasing rules and regulations authorized in the state codes. The state code allows anything under $20,000 as a small purchase that does not require its authoritative approval, but as the finance director mentions, for the town only, anything under $5000 is considered a small purchase and constitutes the practical limit of departmental discretion. Individual departments can purchase within $50, without having to go through Finance. For expenditures beyond $50, departments have to go through a formal requisition process which is controlled by the Finance department.
The Finance department locates the vendors from its vendor pool for the supply of requisitions. The usual practice is to search for a local vendor before looking elsewhere. Part of the reason for doing this is to support the local economy and build support in the town council. As the Finance Director notes, "the town council always want to make sure that all those local suppliers are involved in our purchasing." The Finance department is also involved in the transfer of money from one department to another and from the unappropriated fund balances. Transfers occur throughout the year and always require the authorization of the Town Council. As the fiscal year draws toward an end, the Finance department tries desperately to put the brakes on what it calls as "Christmas in June" (the tendency to spend available money by the year-end). In practice, budget transfers can be requested, in which case the matter goes to the accounting supervisor, or such a transfer can be suggested, in which case it is initiated by the Finance Director. The budget officer (Finance Director) provides the following narrative of the transfer process:

Each line item is supposed to be in balance. It's not supposed to have a deficit. That's what the requisition process is. If they charge it to some line item that has a negative balance or doesn't have enough money to cover, that purchase order is rejected. We tell them you need to do a transfer.... That transfer needs first to be verified by us, saying yes, the funds are available, which is either yes or no, and then approved by the Town Manager. Now, I could put a little note on that and say, I don't think so. Or (I might say) you might want to consi-
... Or (I might say something positive) if the department head has a really good case for it, and most of them will come up with one: "Well we lost one person and have all this work and it sure would help to have an IBM sitting up there." Then you know the manager will probably say, "fine."

Budget transfers in this account occur through the joint action of the finance department and line departments. The Town Manager usually goes with the decision of the Finance Manager, except when the transfer is big or is necessitated by some policy change.

On the monitoring side, at the beginning of each month, the Finance department sends revenue and expenditure budget sheets for each department to work on. After the Finance department's processing of those sheets, departments get a comparison of how much they have spent for that month, how much is encumbered for that month, and for the year-to-date, what the remaining percentages are for this year, and what the remaining percentages are as compared to last year.

Accounting plays a key role throughout the execution process. The town budget operates on a fund accounting basis. It has a total of six fund types, of which the Government Fund is the dominant category (60%), followed by Enterprise Funds (37.5%), the Internal Service Fund (2.6%), Capital Project Funds, the Debt Service Fund, and the Agency Fund. The town charter specifies that:

The Town's accounting records for general governmental operations are maintained on a modified...
accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the Town's utilities and other enterprises are maintained on the accrual basis. (Town of Blacksburg, Annual Financial Report; 1988, p. 1).

The purpose of this accounting system structured around budget account codes is to effect both expenditure control and internal accounting controls. In actual practice, most of the accounting occurs on a cash basis, and accrual accounting is used occasionally. For instance, the accounting supervisor gives the following narrative:

We encumber accounts and make accounts payable, and when the invoices come they come to this office (Finance) directly, and our account payable clerk pays them with checks, but we do accrue some.... We still do have encumbrances outstanding that we will leave in the financial statements for that year .... [In] our June 30th financial statement we do accrue what we expect to come in on the 20th of August for the June collection or July collection, so we do accrual accounting and cash, but it is mostly cash.

The accounting officer (Accounting Supervisor) presents a technical perspective of accounting as a record keeping function. Yet, the recording of accrued expenditure that carries over into the next period or even the next fiscal year makes the cash record technically inaccurate. The monthly report and the monthly financial report are the primary procedures to keep track and control the disbursement of funds. While the Finance Director relies on the monthly financial
report showing the status of expenditures by the account codes for individual department, the Town Manager relies on the monthly report showing the status of activities, accomplishments, and total expenditures for individual departments.

**Agency 2: Budget Execution in a County Government, (Roanoke County, Virginia)**

The County operates on the joint authority of the Board of Supervisors and the County Administrator. The budget system is designed on a program format. For example the budget manual states that:

The Annual Fiscal Plan is developed with an emphasis on personnel, programs, and projects rather than a concentration on line-item accounts. The use of this format allows the budget document to be used not only as a financial planning guide, but also as a management tool to measure the efficiency of County operations and the management abilities of our County staff. (County of Roanoke, Fiscal Plan; 1989-90, p. 271).

Given this policy, the execution process is expected to realize the measurement and enforcement of efficiency in budget execution. This view was also reiterated and emphasized in the description of the County Administrator, who holds the ultimate authority for budget execution, assisted by two staff departments: Finance and Management & Budget. The formal objectives set for the Management and Budget Department are as follows:

1. Meet all deadlines for financial plans as set by law, the Board of Supervisors, and County administrator.
[2] Project a three-to-five year County-wide operating budget as a long range planning document.

[3] Develop an annual user fee evaluation program.


Against these objectives, service levels or performance targets for the departments are set. For the department of Management & Budget, the emphasis is on financial analysis, planning on new revenue sources (particularly on user fees), and economic development projects. In contrast, for the department of Finance, the emphasis lies in the fulfillment of the following objectives:

[1] Meet all payroll deadlines, and

The service levels assigned for the department are to provide timely reports on the payroll.

In practice, the actual functioning of the two departments is less clear cut. For example, the Finance Director notes:

Well, our budget unit started about two years ago, and there is only one person in there, or two during the budget season. So sometimes we shift the different duties that they (Department of Management & Budget) will do and sometimes we shift them where we (Department of Finance) do. We really haven't got
them in a firm place yet. Most of the budget transfers, they all end up through here. Sometimes they start in the budget office, and end up here, depending on who they can catch. A lot of times our duties get confused a lot in budgetary matters.

One source of this confusion is obviously the difference between the stated policy and procedures and the actual operations that take place during budget execution.

While the Finance Department considers itself the major component in budget execution, the County Administrator holds a slightly different view:

You need to know that I have a separate budget department. It is not party to accounting, so there are two departments. The budget works in planning. It's really budget and management. They do periodic reviews.... During the year if it is necessary to transfer funds from one major account to another, I put those back through the budget department, because that's something that we may need to program into next year's budget.... Once it [the budget] is adopted by the board and appropriated, then the ability to spend those funds is left to the department heads and the accounting (Finance) department.

In this account, the Finance department is subordinated to the Management and Budget department, at least in the view of the agency head. He sees the Budget department to be specializing in planning, and Finance is presumed to be acting on its plans. The view of the budget officer (Finance Director) differs on this account. Furthermore, from the agency head's point of view, budgeting and accounting are considered separate, but from the budget officer's viewpoint they are not.
The Management and Budget department is the principal staff arm of the County Administrator involved in target setting, both county-wide and for individual departments. These targets or ceilings later dictate how the budget is to be executed. But for day-to-day operations, the Finance Department exercises control in budget execution, and therefore its function is not simply the timely operation of payroll as the budget manual states.

Targets are set and requests are adjusted to the targets. Once approved, the budget is translated into a general ledger. There are two different systems for maintaining budgetary information -- one for accounting figures (e.g., Fund status, Cash balance, Unencumbered balance), the other for budget figures (e.g., appropriation balance, percent spent, percent increase and decrease), although both can be interchanged for reporting purposes.

In describing the execution process, one Assistant County Administrator provided the following account:

Basically the budget becomes a part of the accounting process. We have a computerized system that allow us to carry the approved budget level for each department in the computer, and then, basically, for any purchases that are made, we have to verify that funds are available. So, essentially, the budget is the sheet of music that we march by during the year.... Once we place an order, then that money is encumbered in the system, so that it can't be spent again. In other words, we don't really have to physically disperse the money in order to encumber it.... Obviously, you have things happening during the year that requires deviation
from what is shown. Well there obviously would be projects, emergencies that arise or it could be a failure to accurately forecast.

In this account, execution is viewed as a nearly automatic process, where the authority of the Assistant administrator is nominal. Given this automaticity, no attempt is made to reconcile this view with his admission of deviations in the process.

Budgets of individual departments are monitored at a summary level. Each departmental budget is broken down into three expenditure categories: Personnel, Operating, and Capital. Built-in checks are placed in the general ledger to prevent departmental directors from spending more than what is budgeted in the total for the three expenditure categories. Although there is this automated control of the process, more reliance is placed upon the monthly report, purchase orders, and vouchers to enforce the ceilings.

The accounting system is built upon uniform accounting codes. Budgets for all funds are adopted on a basis consistent with the generally accepted accounting principles applicable to the governmental units. The General Fund is accounted for, using the modified accrual basis of accounting. Proprietary Funds are accounted for using the accrual basis of accounting. Accounting control is realized through encumbrance accounting, which allows encumbered amounts to lapse at year-end and outstanding balances to be reappropriated as part of the following year's budget. In terms of monitoring, the crucial
aspect involves the yearly selection of an area to highlight the County's efforts and accomplishments. More formally, **Budgetary Control** is defined as "the level at which expenditures cannot legally exceed the appropriated amounts." In practice, effective control is exercised by the County Administrator on a more personal level. As he narrates:

> We really don't have much of a problem with overruns. When there is an overrun in a department, they advise me early enough..., and if the Board asks for something additional, or if I ask for something additional, I will cover it either by getting more money from the Board or another contingency account where I can substitute funds. If it is something that they have made a mistake, [then] I have them take funds from somewhere else in their budget, and occasionally, I have them take money from another budget in that division.... They don't like that. They gang up on the other guy. It doesn't happen again.

In this account, there is a tacit reference to the nature of politics in the execution process, even though there is an overt denial of its recognition. The politics has to do with the engineering of incentives and disincentives in awarding discretionary authority to the subordinate units and the degree of competition introduced in the fund balancing process.

The scope of discretion in the execution of the approved budget is formalized in the County charter, which states that, "[t]he County Administrator is authorized to amend appropriations by transferring unencumbered appropriated amounts within appropriation categories or to transfer up to $10,000
between appropriation categories within any fund" (Annual Financial Report, 1989; p. 4). For amounts over $10,000, it requires the approval of the Board of Supervisors, and for amounts over $500,000 requires a public hearing.

**Agency #3: Budget Execution in a State Agency, (Department of Transportation, Richmond, Virginia)**

This agency operates on special funds and trust funds, which enable the agency to have operational autonomy from the Central Budget Office (Department of Planning and Budgeting). There are 81 Divisions, Districts, Residencies and other major organizational entities within the agency. Each of these receive administrative directives affecting all of their operations (VDOT, Base Budget Proposal 1989, p. 10).

The budgetary functions are shared by the Budget department, the Fiscal department, and the Information System department, all under the authority of the Commissioner (Agency head). The political authority resides in a Board appointed by the Governor. The budget operates under a biennium cycle of appropriation and is based on a program format. The format specifies program and sub-program allocations against program strategies and service levels. For example, "Administrative and Support Services" is identified as the leading program, with "General Management and Direction" as
its sub-program. With the exception of certain highly specialized units, the general administration of each organizational unit is assigned within this sub-program (VDOT, Base Budget Proposal, 1989; p. 10). Strategies for this sub-program include: Maintaining accrual accounting interface with the state system, implementation of Information System Plan, and Financial Management System, Fiscal reviews, External audits, and the efficient and effective utilization of all agency resources (Base Budget Proposal 1989, p. 11). The action of the Budget department and Finance department stems from this sub-program allocation. Therefore, in terms of policy design, budgeting appears to be a support function rather than the premier control mechanism. But from the viewpoint of the budget officer, this seems not to be the case. The Budget department does exercise central control through both formal and informal mechanisms.

In the organizational culture of the agency, budget officials maintain a distinction between construction and non-construction activity, with emphasis on the former. Despite the official program categories, this distinction is maintained, which reflects the agency culture. In this sense, budget officials uphold a strong sense of mission in justifying their role. This sense of mission, in contrast to the embodiment of the formal organizational objectives, seems to be a function of the funding status of the agency (i.e.,
special funds). Expenditures for construction are viewed as non-discretionary, and its accomplishment has measurable attributes, but non-construction expenditures are considered to provide room for discretion -- part of which stems from the necessity of making changes for mission accomplishment. The agency head (Commissioner) described the process as follows:

The formal process that we use involves our budget division. Now, we have an established process whereby we quarterly review the budgets that are being implemented by the field units, and asking the field units for justification for any extraordinary changes they want to make in implementation. Beyond that, execution occurs through the programs they have laid out, the spending plans that they have laid out in their initial formulation. Well, there could be a host of changes. There could be changes made on the basis of conditions found in the field, conditions that were not anticipated at the time the budget was put together. That process occurs many months before implementation. For example, we might find that a bridge deck that needs extraordinary repair that has not been planned, that has not been budgeted. There could be a trade-off in the field that needs to be done in lieu of something else. So they will request a shift of funds from our maintenance division.

In this account we again see that the execution process involves planned spending and subsequent modifications without any reduced sense of control.

From this description, budget control, far from being a sub-program activity, is considered central to the process. Furthermore, the budget division does get involved in the discretionary judgements over construction activities. The nature of discretion depends on the magnitude and timing of
the expenditures. The budget officer narrates this as follows:

See. It depends on the magnitude, depends on what programs. For instance, we tell truck weighing program this is how much money we got. If you make any changes in your plan, we just want to know about it. We can't go over your bottom line, and they generally know the rules of the game, and they will look at that, and then again it depends on the time of the year. If it is August, they will say, let's contract to fix something down in Bristol, and hopefully it will generate the savings. Because we don't want the contract at the latter part of the year, and since we got to fix this up, and if it doesn't generate the savings, then we will plan it for the next year, and request funding for 80% than 50% of the project. So you know, one does not necessarily depend on the other, it's a whole set of options, and a lot of it depends on what time of the year you are in, the order of magnitude of it.

In this account, the process is depicted as more responsive to situational imperatives and the exercise of judgement than following the spending plan that carries the logic of appropriation. In his control over the execution process, the budget officer relies on the monthly report, the quarterly report, and the year-end report. While the year end report is used primarily to draw up the expenditure plans for the following year's budget request, the quarterly reports form the basis of budget review for the Budget Division, and the monthly report for the Fiscal Division.

Besides formal reporting, budgetary control is exercised through the clearing of various forms for purchase and travel and through the established channels of formal and infor-
mal communication. The Fiscal Division also exercises separate control in the execution process. The following account shows how the accounting officer describes the process:

We are kind of reaction oriented. We have set procedures and what we are doing is processing information that comes through, and basically that is the things that have already happened. We have already purchased the goods, so now we have to pay the invoice.... When the budget is approved, we receive a document from Budget, more of a summary document. We take that document and then record by journal entries into our financial system the numbers on that budget document. That forms a summary level document, and often we have to go into much more detail, so then there is a supplemental document. That's prepared, and we use that to further break the budget down into our accounting system. That's done at the beginning of the year. We then have to reconcile our financial system, with the budget entries that was put into that, back to the document.... Now, once we have done that, we also have to reconcile the budget document to the comptroller's accounting system [the State's accounting system].... We have two separate accounting system, the agency accounting system and the Comptroller's or the general accounting system.

Even when reconciliation of spending plans with actual expenditures remains the central thrust of accounting, the accounting function is primarily viewed as after-the-fact verification of accuracy, consistency, and conformance of the figures. In this account there is apparently no perception as to the strategic and controlling effects of accounting. For accounting control, the agency does not use encumbrance accounting, but relies on fund accounting and account groups, each considered to be separate accounting entities.
The operation of each fund is accounted for by the following account groups: assets, liabilities, and fund balance. Governmental and Fiduciary Funds are accounted for by using modified accrual basis, Proprietary Funds are accounted for using the accrual basis. But in actual operation, the budget is prepared and monitored on the cash basis. Since the budgetary basis differs from the generally accepted accounting principles, a reconciliation of the differences is also maintained (Annual Financial Report, 1988, pp. 10-12). In this account we encounter different interpretations of fund balance that is not part of the appropriation control, but one that is necessitated by the accounting principles.

Agency # 4: Budget Execution in a State Field Agency, Southside Virginia Training Center (SVTC), Petersburg, Virginia

The budgetary functions of this agency reside in the Administration and Support Services Division and the Administrative Services Division. The former deals with budget allotment, the latter deals with accounting and financial management. Both Divisions report to the Director of the agency. The execution process narrated by the budget officer (Assistant Director of Administration) is as follows:

We are told what our budget is, and then it's just a matter of dividing it among many departments we have.... The appropriations come to us
by programs and sub-programs in a two year cycle.... When I took over the budget, I tried to make every sub-program match one of the divisions. Now we budget on a cost center level.... Cost center is equivalent to a department in my mind. Every cost center will have money allocated to a line-item which is defined by the department of Accounts. General funds are allocated all at once, special funds come on a 1/12 month basis (once a month, which comprises 80% of the budget), so my objective is to straightline the budget. Each month we spend about 1/12 of our budget.... [For example], this is the end of November, we should have been at 42%, so I draw a line across the 42% mark, and I see that this cost center is over 42%, and then I say, for each month they have to tell me why, now that's a discussion, there is nothing in writing. It means he has overspent on the straight line, but it doesn't necessarily mean that he is out of budget compliance.

Beyond the program and sub-program appropriations and their allocation to cost centers, budgetary control is exercised through purchase requests, quarterly reports, and monthly reports. The quarterly reports are the aggregation of the monthly reports. In the quarterly report, tolerance of three percent (plus or minus) variance in expenditure is a standard practice to adjust the budget. The budget adjustments which occur through the transfer process is narrated by the budget officer (Assistant Director) as follows:

Once a quarter, I am going in and doing a budget adjustment. Now, of course, everything is slow in the state. So if the quarter ends in September I won't get those adjustments until the first week of November, because I give them a month to analyze, a month to adjust. So I am a month behind each time. It becomes critical at the end of the year, the last quarter of the year. We just say, forget it, and I take control, and the law

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says my director can overspend the budget, and so at the end of the year there is only one thing I am worried about. That the bottom line does not exceed what the appropriation is. Now, I am allowed to carry some expenditures forward, because that's normal part of operating, but that only amounts to about 300,000 in a 48 million budget, which is insignificant, less than 1%.

In this account we see that adjustments lag behind the monthly targets of expenditure. Adjustments are primarily after-the-fact rationalizations brought by the cumulative smoothing of the 3% variances.

In actual practice, budget execution does not proceed in a neat orderly fashion. This is reflected in the narrative of the accounting officer (Accounting Manager):

My twenty one years of experience is that budget should be what your needs are and build up that way. Well, most of the time that's not the way we are going at [it]. What we are told is, here is a target amount of money that you got to work with, and then we are trying to deal with it. I think it's a kind of reverse order in which it should be done, but I think that's the scheme of things. I think it puts you in the mode of robbing Peter to pay Paul, because somewhere along in the whole process, from the agency on to the legislative process, something gets lost in that. Somewhere along the line there is an assumption that, hey, you got all the resources that you need to run things. When someone is making that assumption, and most of the time that's not fact, there is a spread there, and you are trying constantly to deal with that. The intent is for it to be a rational process, but when we actually do it, it doesn't happen that way.

Because the agency executes a program budget and allocates it through cost centers, it maintains a dual monitoring function. Expenditure control is reported both for cost
centers as well as for the fund groups. The agency also maintains two different ledgers -- the accounting ledger and the budgeting ledger. The budget operates on Fund Accounting, which is based upon the state accounting codes. Funds are maintained on a cash basis and disbursed through encumbrance accounting. While in execution, one has to respond to the operational needs, the way fund accounting registers expenditures does not correspond to the program definition of those needs. For instance, even when a project needs increased spending, the very operation of fund accounting puts a brake on it, because one cannot cross the line between different fund groups. Therefore, the necessity of fund balance competes with the immediate need for program spending. This results in budget execution to incorporate the dynamics of adapting to both operational and accounting needs, while at the same time presenting itself as the unfolding of the formal spending plan.

Agency # 5: Budget Execution in a Federal Agency, (Defense Mapping Agency, Virginia)

The mission of this agency is to produce maps and charts. To fulfill its mission the agency utilizes a program budget format. Budget formulation begins in a two step process. First is the Program Objectives Memorandum Process -- a five year projection of what the agency is going to be bud-
geting for in the future. This process is carried out every Spring. Then in Summer the annual budget cycle starts, which is actually two budgetary cycles -- one for the current or operating year and the other for the proposed or formulation year. The execution of the budget is narrated by the Comptroller as follows:

Once we receive our annual budget, the budget office receives an allocation from our headquarters, and what they do is, we have various budget analysts assigned to each particular area, whether it's salaries, travels, maintenance, or production contracts. They in turn distribute that budget to various production departments, and then we monitor throughout the year how we execute that program.

In the words of the budget officer the process also include the following:

It starts in the first day of the fiscal year, and it's pretty much a cooperating thing between us and the production people,... and it involves a number of things such as funding for organizations that are not located here, we have a whole number of those, and that involves, of course, during the year reprogramming, internal reprogramming. Sometimes we get additional money, sometimes we get less money. We have to accommodate all these things.... The budget at the first of the year is a plan. Things change, so you [have] got to make adjustments, additions, or downward revisions that is imposed on us by the headquarters, by Congress.

Budget execution also involves contracting activities -- both outside contracting and inter-service support agreements, procurement, management of supplies, travel, training, and maintenance. The monitoring process is based on the
obligation plan that is reported to the headquarters, the daily and monthly reports for internal control, the Budget Review Group (BRG), and the Resource Advisory Board (RAB) meetings to affect adjustments in the budget. In addition, the accounting codes in the allotment ledger provide the status report of each account against the given appropriation. The controlling effect of the obligation plan is described by the Comptroller as follows:

Our headquarters requires us, at the start of the fiscal year, to give them an obligation plan, and what that does is that it breaks out by elements of expense how we are going to execute that plan, and they have a requirement, where we vary by plus or minus 5% of that plan, we have to explain to them why we have deviated, and sometimes we get a little frustrated with that requirement, because it really doesn't give us much flexibility, and in certain cases, when you have a budget as large as ours, you know it's almost impossible to program down to that level, to know something exactly when it's going to occur. They expect us to know that.

The daily report is a computer printout called "system 2000," where the budget is broken down into line-items, and for each expenditure requirement the budget analysts verify the validity of the requirement, the accuracy of "fund site", and check whether funds are available for the expenditure to go forward. At the end of each working day the system 2000 is updated, giving the daily status report on the disbursement of funds.

The allotment ledger is maintained by the Accounts department, which captures the expenditure by the cost cen-
ters and reports whether departments are spending too much or too less against their quarterly and annual expenditure authorization and obligations. It also reflects the accrued expenditures -- collected and uncollected, the unfilled orders, and the unobligated balance.

The allotment ledger forms the basis of the monthly report, which is a summary document on the end-of-month expenditure status. It is prepared by the budget office, telling each department how much money it has in its program, how much it has spent and how much it has left. The monthly reports play a crucial role in the Budget Review Group Meetings. The BRG meetings are usually monthly meetings chaired by the budget officer and include the Division Heads. Basically, reprogramming decisions are made at these meetings. In addition to reprogramming, review of new and unfunded requirements is carried out, and decisions are reached at these meetings. The Budget officer holds discretionary authority to reprogram funds not exceeding $75,000. For amounts higher than $75,000, the decision has to be reached at the BRG, and for amounts greater than $100,000, the headquarters has to be notified and its permission obtained. While such permission is not necessary at the time expenditures are committed, it may come later. The Comptroller gives the following narrative on the BRG:

Sometimes the BRGs are pretty clean and not con-
troversial, and so we can just pretty much rubber stamp them and I will send it right to the director and he will approve it. But especially when the funds are tight, or at the end of the fiscal year, we are meeting, say, at the last week of the fiscal year almost daily, because what we are doing is cleaning up the accounts.

The BRG meetings serve both routine and strategic adjustment purposes. On the other hand, the comptroller sets agenda for the RAB meetings, although formally it is the responsibility of the Technical Director. The bias of the BRG is to resolve problems at the lower level, so that reprogramming decisions are not forwarded to the Resource Advisory Group. The RAB deals with reprogramming that is either large or controversial or both. The Comptroller narrates the process as follows:

If it's beyond $75,000, then we have to go through what we call a RAB process, that is the senior people, and it is chaired by our Technical Director and I am the Deputy Chair. I do all the leg work and make the agendas, and what we do is, we recommend and say, here are the new requirements, here is why they are high priority, and here is where we propose to take the money from.

The budget execution process in this agency can be seen to be operating under formal institutional rules and their control systems. These rules are the obligation plan, the program appropriation, the transfer ceilings, the System 2000 report, the monthly report, and the BRG and RAB meetings. In actual operation, these rules are treated as flexible in order to accommodate the demands of the situation -- be that
of an emergency, political compromise, or changing priority. All of these are subject to the interpretations of the actors involved. In fact, under different circumstances, different interpretations of these rules are utilized. This is depicted in the following narrative of the Comptroller, which differs in tone and substance from his earlier narrative.

In the budget execution process there is constantly changing requirement [Laughter]. Nothing stays the same. If we would have a stable program, it would make our life a lot easier, but there are constantly changing priorities. It comes from everywhere, so that was probably never in the original programs. So what does that mean? Some things have to shift, something else is not going to get done. And then what that means from the budget and accounting standpoint [is], we have got to switch money around, to cover this down, and that's just a small example. The main thing is something comes down from the Pentagon, or somebody forgets something, or there was a cost overrun. So a lot of our time is spent in trying to remassage this, to get the money in the right pockets.

In fact, people rarely consult the rules in the budget manuals. When one gets stuck or feels threatened, the issue is referred to the legal counsel's office for clarification. In this sense, institutional rules are internalized and treated as procedural routine. This routinization of institutional rules is far from being straightforward. It is necessarily mediated by the different budgetary controls, that blend different roles and routines with the institutional rules and agency norms.
It is the elaboration of such a control process that takes the discussion into the next chapter. But before leaving the present chapter, let me summarize the observations that point to the nature of ambiguity in the budget execution process.

Section 3: Summary of Observations on the Agency Budget Execution Process

The following observations are listed to highlight the structural (rules), behavioral (roles), and procedural (routines) patterns in budget execution.

[1] The budget cycle does not necessarily correspond with the fiscal year cycle, nor is there a clear conceptual differentiation between the budget formulation and execution processes.

[2] There appears to be no clear organizational division between the budget management and accounting functions. Budget management and accounting may operate in the same unit or in one position. Even when they are in separate units, the accounting unit may function more as a budget unit, and the budget unit that of accounting. There appear to be various degrees of functional mix between the two.

[3] No clear and consistent procedural guidelines are followed in budget execution. Spending plans are used
flexibly to control, guide, and legitimize budget actions -- all at the same time. The behavioral and procedural actions appear to be simultaneously promoting and protecting allocational flexibility as well as compliance with appropriations. On the accounting side, program justifications are used for budget monitoring, while line-items are used to control program spending. Accounting also uses multiple formats to document budget control (e.g., the fund basis, the program basis, the cash basis). These three bases make the reconciliation of accounting ledgers less of a clear and precise report. On the budgeting side, various reports are used (e.g., monthly, quarterly), without any uniformity in their formats. This opens up the budget reports to multiple interpretations.

[4] No significance is accorded to politics. While politics is tacitly acknowledged, its importance is explicitly denied. Politics occurs in the distribution of expenditure authority and in the exercise of discretionary judgments. Politics can also be attributed to the style of leadership developed by agency heads, despite their claims to rely upon objective indicators. Finally, politics can be attributed to the creation of the unfunded list and rank ordering of the listed items.
Situational imperatives, in the form of the magnitude of spending needs, the areas of spending, and the timing of spending decisions seem to be a defining feature of the execution process -- more than the formal hierarchical and functional descriptions that are common to the budgetary texts.

All of these observations suggest that, in operational practice, budget execution proceeds through the interaction among the structural (institutional rules), behavioral (agency roles), and procedural (functional routines) components of the administrative process. Such interactions often generate incongruence, and therefore the management of such incongruence becomes an integral part of the process.
CHAPTER VII: ELABORATING BUDGET EXECUTION AS A MULTIPLE CONTROL PROCESS

In the last chapter, I presented a general description of the execution process as derived from the accounts or perspectives of the practitioners. The task now is to particularize the general description.

In order to reveal this dynamic in the control process, this chapter is organized into four sections. The first section explains the idea of multiple control processes in the context of the three budget execution functions. The second section discusses the accounts of the agency heads as they relate to budget direction. The third section discusses the accounts of the budget officers as they relate to budget management, and the fourth section discusses the accounts of the accounting officers as they relate to budget accounting.

Section 1: Budget Execution and the Conception of Multiple Controls

Budget execution has been explicitly viewed as a highly structured process, yet practitioners have implicitly acknowledged fluidity in the way it gets executed.

The idea of administration as a semi-structured process is not new. In fact, the blending of the formal and informal, and the closed and open aspects of organization, remains the
basic explanatory approaches in the theory of complex organization. Therefore, the operationalization of the semi-structured conception has taken different forms and has utilized different concepts. In this research, I have chosen the concept of ambiguity to render such a conception of the budget execution process.

In order to reveal the nature of ambiguity in the control processes of budget execution, the first task is to break open the generic conception of control into its component elements. The concept of control -- where the whole of the budget process is conceived of to embody it -- is not unitary but manifold. This manifold conception emerges in terms of the different functions and strategies that are in place. Three important functions identified are "budget direction," "budget management," and "budget accounting."

Budget direction

The rationality of control in terms of budget direction lies in the act of monitoring and achieving policy goals -- in other words, accomplishing policy success. This function is officially entrusted to the agency heads. From their perspective, control is viewed less in formal hierarchial terms, and more in terms of strategic interventions and informal practices.

Budget management

The rationality of managerial control focusing on the operational aspects of budget execution is the degree to which the coordination of various units and programs is achieved within the appropriation amounts -- in other words, achieving budget success. This function is officially entrusted to the budget officers. From their perspective, control is viewed less in terms of the exercise of overt authority, portrayed in

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the stereotype of naysayers, but more in terms of building and maintaining a network of relations that fosters mutual confidence and operational flexibility in the execution process.

**Budget accounting**

The rationality of accounting control focusing on financial accountability is the degree to which expenditure decisions conform to the generally accepted accounting principles. This function is entrusted to the accounting officers. From their perspective, contrary to the conventional view of accounting as the guardians of the purse, the accounting function in reality varies from being simply reactive to becoming a full partner in expenditure decision-making.

These three functions are utilized as analytical categories and not in terms of their status as separate units. For instance, there may or may not be separate departments for budgeting and accounting functions. Therefore, lacking any uniform organizational arrangement of these functions, I have opted to use them as operational categories rather than as organizational units. What follows are the account analyses of the budget officials as they relate to the three categories.

**Section 2: Agency Heads view on Budget Direction**

Agency heads report that they have minimal involvement in the execution process and rely more on their budget officers (Finance or Budget Director) to control the process. The mechanism through which the agency heads monitor the process is having periodic consultations with the budget officer and reviewing the monthly or quarterly reports. Therefore, agency heads remain dependent on what their budget officers report or
advise and what the monthly/quarterly reports capture. As one agency head puts it:

From the managerial perspective, I look at the totals in the budget printouts.... I concentrate a great deal on the monthly activity performance reports. Those reports are measuring the department's performance in 5-6 key areas of that department's function. That's the kind of thing how I keep the pulse of what is happening in the day in and day out operations. On the monthly financial report, I give more of a cursory look. I relegate that to the Finance Director, and she will pinpoint to me, she will come to me and say, I think we have a problem in this particular area.

The nature of the information on the basis of which control is exercised is interpretive rather than objective. For instance, in order for any performance indicator to be objective, the indicators need to be translated in terms of the budgeted amount expended. But as the agency head admits, no such translation occurs or is attempted. In his words, the focus is,

basically on satisfaction levels, efficiency levels. My focus when I start looking at the dollars [and] interpreting the dollars to the results, occurs more during the latter portion of the year when I develop the budget for the next year.

In budget execution, efficiency is equated with satisfactory results, where satisfaction is not construed from any objective measure, but from the interpretation of performances and accomplishments that are negotiated within the agency subculture.

Given that the institutional nature of control is based on appropriation and its regulative effect, one important mea-

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sure of its effectiveness then rests on the appraisals made by the legislative body on the operational status of appropriations. Agency heads form the key link between the agency and the legislative body. Therefore, such appraisals need to occur through the agency head. In most cases the link is found to be weak. In fact, members of the legislature generally do not take any particular interest in the execution of the spending plan. For example the Town Manager states:

They concentrate more upon what we are going to do with the money than the money itself. However, where they find themselves always making the critical decisions is whether or not we have available funds to do it or not.

In this account one could ask how it is possible to determine the amount of money needed without having a clear understanding on how much money is being spent for what activity. In order for appropriation to be effective, legislators need to rely on regular operational information from the execution phase. In practice, this responsibility is delegated to the discretion of the agency head. When asked whether the Town Council requests the various reports that would provide such information, the Town Manager said:

Very little, a couple of times a year. We give them the status of key projects. Condense it still further, condense maybe 85 pages into 3, although they get copies of those report every month. I don't believe that they read them. I think they skim. They can call me; very seldom do I get calls.
Therefore, the objective of attaining policy goals by figuring out the degree of its successful attainment, functions more in terms of achieving budget success than relating in any systematic way the policy goals to the budget execution process. This makes budget execution from the vantage point of the agency head -- a mechanism that seeks compliance with appropriation amounts rather than with general policy goals. This institutional process transforms budget execution into budget compliance, although, formally it is treated as a planning mechanism. The Town Manager emphatically makes this point:

I take a very personal interest in and want to meet with the auditors, and challenge the auditors, if you will, to test our accounting system to be sure that it in fact can stand up to the challenge.

In fact, a similar pride in and satisfaction with full compliance to procedural matters are entertained by the County Administrator, but such strong compliance attitudes are not found with the agency heads at the state and federal level.

At the county level, the control mechanism also includes goal setting through annual retreats with the Board and the yearly targeting of a single area for closer attention. In the account of the County Administrator, little attention is given in terms of the controlling effects of such mechanisms on budget execution. Rather, it is the specific program expenditures that constitute the basis of control. The program
targets are set through a negotiating strategy in the budget formulation stage. For instance, the County Administrator reports:

I let them set the goals, let them tell me what they should do. I may have some suggestions of what I know they should do too. We negotiate that. I like to give a department at least 75% of their work that they identify and 25% of it might be new programs, new directives that I have in mind.

A second control mechanism identified by the County Administrator constitutes the annual employee evaluation. He describes the process in the following account:

I tell them in the budget process, "I gave you money. I gave you three more people for a drainage program. Why did you not do what you told me that you were going to do?" So we periodically review that and relate it back to the budget, and when their annual evaluation comes up, the employee evaluation, I relate that back to the budget.

Two additional mechanisms identified are the submission of unfunded items early in the budget year and budget adjustments through transfer and additional funding. The County Administrator gave the following account of the process:

From the budgetary standpoint, there is a requirement to do more than you have the money for, and I try to. If the issue is one that is truly important then we work with it in the budget department and the finance people to find a way to accomplish it. If it becomes necessary to fund a new fire truck in the middle of the year, then I tend to lean toward getting the job done, as opposed to accounting for the dollars.... I prefer the operating department rather than finance to run the show.

The nature of control exercised thus takes place through both the formal and informal mechanisms. This is because,
operationally, budget execution ceases to be simply the implementation of an agreed upon plan. It becomes a dynamic process responding to the demands of the situation. Yet such responses are always orchestrated to show expenditure decisions to conform with established procedures even when they are not relied upon in the actual decision-making.

The control process at the state agency follows a different strategy. One reason for this is the "special fund" status of its programs. This allows the agency to use greater than anticipated revenues to fund not only the unfunded requirements but also to add funds to programs that have been cut in the budget formulation process.

The Commissioner states that there is less central control because of the decentralized operation of the agency and the organizational politics that takes place in the process. He discusses the process in the following terms:

We allow a great deal of politics, because we are operating on a basis that there is a decentralization in decision-making. Which means that, within some parameters, the field is given a great deal of latitude in making trade-offs, and judgements, and it is only when the organizational goals transcend the objective of keeping decision-making at the lowest possible level, such as being in a very tight fiscal times and looking for ways everywhere possible to shave expenditures, only in those instances [do] we have our budget division execute a stronger control.

The other controlling aspects identified include the quarterly review process and overall evaluation of agency
performance. Such evaluations are not necessarily tied to the execution process. For instance, the Commissioner states:

I look at the bottom-line results. I look at the outcomes. I measure them against a number of criteria, one of which is the dollars spent. I will measure it against the mandate that we have, the staff resources, and time. We are in the process of developing a performance indicator system that indicates the nature of work by goals and objectives, and the accomplishment of those goals based on specific quantitative measurement, compared year after year.

For the Federal agency, control is embodied in the obligation plan, program apportionment, agency norms, the monthly budget review group, and the resource advisory group meetings. The comptroller who directs budget execution emphasize the BRG and agency norms as strategic mechanisms of control. Here too, the control mechanisms are not geared to realize the policy goals through the budget execution process. For instance the Comptroller describes the obligation plan as follows:

What the headquarters says is: "How are you going to spend the apportionment? By area, and by the month?" Then they look at the spending plans and monitor each one and they want to know why we are deviating from that plan. It's kind of unrealistic in a lot of cases, because, over time, by the very nature of the program, expenditures cannot be anticipated.... If you could schedule, there should be no overtime. Right? For example, in the contracting area, it's a very difficult thing to determine almost a year in advance when a particular contract is going to be awarded. Because our people have to write the specifications, it has to go out to competition, and then you have to analyze the bids, and finally, when everything is blessed by our acquisition people, our production people, then we
can finally make our contracting award. Well, there are a lot of steps you have to go through, from advertising, analyzing, and so forth, and if we don't make an award at the end of the month we have projected, then we have to go back to the headquarters and tell them why, and there are a lot of outside influences that come in, new priorities hop up and we have to stop everything to get that job done.

From his vantage point, the Comptroller does not see the formal mechanisms operating as stated. The more practical strategy that is followed involves adapting the control process in accord with the emerging situations and with the agency culture, which is dominated by the production department. Therefore, the production department effectively controls the program expenditures, despite the fact that the Comptroller retains the formal control over all expenditures. In reality, the Comptroller mainly controls the personnel, supply, and logistic side of the expenditure. For instance, in such a decentralized operation the Comptroller notes:

we will monitor and make sure that they [program expenditures] are in accordance with the plan, but the actual approvals will be done by our production types.

This is one instance of the controlling effect of agency norms. Another instance which the Comptroller describes is as follows:

Headquarters has a policy where they like to see all of our funds fully expended, because they are fearful that, if at the end of the year we show some money that hasn't been spent, they are afraid that we will be criticised for having too much money, and that our budget will be cut next year.
On the question of the creation and management of slack resources, the process is described by the Comptroller as follows:

In government, there is a perception that, if you spend a lot of money in late September you are dumping money, and you have to be very sensitive about that. So what we do is that, early in the year we list everything that we like to do but we do not have the money for, and we try to prioritize those.... A lot of people hoard money, you know, and sometimes a contract won't go at all, because maybe the bids were too high,... [or] people have held their travel money, or travel did not materi-

alize. The same thing may happen with overtime.... So invariably at the end of the year we come up with our own pots of money. So in September, again on the execution side, for each budget analyst, I have given them responsibility to make sure that they thoroughly know what the requirements are and what money is not going to be needed. Then what we try to do is, we aggregate all that money and apply that to the highest priority items on the unfunded list. Also, sometimes we get phone calls from the headquarters; for example, last year we got a phone call and they said: "Hey, if we have some money what could you use it on?" So we are always ready and we have our list, and we have a narrative statement saying, what's it for, and what would be the impact if we don't receive it.

But note that these discretionary funds are not part of the fund accounting structure, nor are the changed priorities part of the original spending plan. Yet all expenditures are recorded in terms that show them to be in accordance with both the fund structure and the spending plan -- in other words, looking for the efficiency of existing funds while trying to seek funding for the non-funded items. This dual effort lead to compromises in both.
General Observations on Budget Direction

[1] Theory suggests that the budget control function exercised by the agency heads involve giving policy direction and providing performance feedback to the legislature. In practice, there are different conceptions of control, depending upon the nature of the agency culture. It can mean simply staying within the appropriation ceilings irrespective of program accomplishment. It can mean keeping legislators informed on the budget actions taken, whether or not they read, understand, and use such information. It can mean the utilization of planning techniques to affect change, while at the same time relying on such techniques and others for compliance purposes.

[2] The nature of providing direction varies by the nature of supervision. For instance, while decisions are made on discrete items, the reporting and monitoring activities document the aggregate status of funds. While agency heads claim to be abstaining from detailed control, their activities show them to be otherwise. While in theory they are supposed to direct their budget officers, in practice they depend more on the discretion of their budget officers.

[3] While agency heads consider their directives to be apolitical, at the same time they allow politics and
attempt to regulate it. This occurs mostly in the creation and use of the unfunded list.

Section 3: Budget Officers View on Budget Management

The control function in budget execution is seen from a different perspective by the budget officers involved in budget management. Their focus is more on gaining influence in the disbursement process than overtly exercising their formal authority through the expenditure authorization process. On the formal level, they view budget control to be a fairly automatic process, which includes verifying and authorizing purchase orders, contracts, bids, and travel vouchers. What is interesting to note is that almost all budget officers vigorously reject the idea of being naysayers -- which incidentally remains the stereotypical image of the budget manager's role. For instance, the Finance Director of the municipality describes her role by saying:

No, I don't have a no stand. I mean really we have got right down to the center of my business. Really you know. I don't. I don't run the other departments' budgets. It's up to them.

The way control is diffused rather than overtly exerted is narrated by the Finance Director as follows:

I don't check up on individual line items. Each line item is supposed to be in balance. It's not supposed to have a deficit. That's what the requisition process is. If they [departments] charge it
to some line-item that has a negative balance or doesn't have enough money to cover that purchase order, it is rejected. Then we tell them you need to do a transfer.... Such transfers are verified by the Finance Department, which says either "yes" or "no," and then approved by the Town Manager.

This active role in the budget adjustment process makes budget control in the hands of the budget officer a more discretionary enterprise.

As compared to the level of budget direction, control at the budget management level is considered more detailed, operational, and removed from policy questions. For instance, the Finance Director of the County notes:

I am not sure whether what the board wants and what the most sound technical advice dictates is negotiated or resolved. We give them our viewpoint and then they do what they want to do with them.

When asked whether she raise any objections when such advice is ignored, she responded by saying:

Not in public. I feel that happens quite a bit and usually with two offices. They hear from two places, because we both are stressing the need to have some kind of resource, some kind of responsibility for things that may come up unexpected, and the board's main priorities are to spend as much as they can on projects they have. That question comes up every year and they tell us, "you have to hold the line here, you need to cut back here," at the same time they are wanting to go ahead and spend. Sometimes they even know how we feel about it but they do it anyway. But we would never stand up publicly and say, "do this do that."

That budget management involves discretionary acts of control, is exemplified in the following view of the Finance Director:

In the past couple of years they [the legislature]
haven't got into the details so much of what was in there [budget reports]. Rather they concentrated on the programs. That's the way we were trying to move them, to think in terms of the overall.... We hand out information to them that are summaries -- like 1 or 2 lines of summaries for each department, where the departments may have turned in a package this thick to us that we have reviewed, but we try not to let them see that because then they will get too bogged down in the details of it instead of thinking of the total program.

The Control process at the State Field agency is also viewed in more operational terms. Thus the Assistant Director comments, "the people who control the buck control the agency." He identifies the control mechanism to be the cost center approach, the quarterly review process, the 1/12 th allotments, and straight-lining the budget against them.

While explaining how the policy goals are understood, in order to structure the expenditure decisions, the Assistant Director states that:

I do know what my boss wants. There is no doubt in my mind on the direction that we want to go, but I do not have a feel for what the legislature wants to do. You know, for the department I have an idea. There is this six year plan, I read that, and I am responsible for planning in the agency. So I read that and find out about it.

Therefore, the focus of control is more toward attaining budgetary than policy success. This is because, no formal mechanism is mentioned that translates the six-year plan into budgetary targets. For instance, the agency utilizes three reports to monitor budget execution -- annual, quarterly, and monthly. How these reports are utilized is indicative of the
emphasis on internal control for budgetary success.

We have an annual report that we have to submit to the central office. What happens is this: whenever it leaves my office, I no longer look at the process from the cost center level, like I am doing with the quarterly report. I have to look at it from the program level. So when I submit it to the central office, I submit it to show how we performed by program, and then they submit a report to the legislature.

Therefore, in reporting budget performance, two different emphases are manifested. One is to convey information to the headquarters, and the other is to convey information to line departments.

The idea of budget management as related to budgetary success is further captured in the Assistant Director's account when he narrates, saying:

I have found it politically smart to stay within my budget, and to be totally upfront with the central office and the DPB [Department of Planning and Budget, which is the CBO of the state].... You have to remember that we are a sub-group of the Department of Mental Health. As long as the Department of Mental Health does not overspend, DPB doesn't care.... I make arbitrary cuts or additions, very arbitrary, but it all equals to what the appropriation is. I also tell that to the department heads -- "you can change the money however you want to, but that's all the money you [will] get". I also give them an opportunity to write me a list of the things they are not able to do, and generally I have a pot of money that I hold in reserve, and based on justifications, and based on Director's guidance, and other Assistant Directors' pet projects or whatever they are. I take that money and then I will allocate it, but it comes back to the appropriation.

The basis of the Assistant Director's decisions is again
discretionary because the monitoring process does not utilize any institutionalized system of indicators. That control does not incorporate any formal mechanisms other than the monitoring of spending plan was reflected in the following remark of the Assistant Director:

From the facilities standpoint, I am really pleased. The one thing that we don't do here that I wished we did is cost accounting -- looking at per unit cost. In our field we don't deal with per unit cost. We deal with the appropriation, and there is a big difference between them.... So if I had to change anything, I would develop a new system where I can look down at the per unit costs and compare it to a per unit standard that's verifiable, justifiable, to show that we are doing well.

At the State agency (Agency #4) the budget officer sees the control process as a "juggling" act. He narrates saying:

We [have] got various budgets and budgets within each one, we [have] got processes within each one, and it's a juggling act, it's interesting.

The budget officer also holds the process to be a nearly perfect one. Responding to the question on the possibility of any discrepancy between intent and execution, he comments as follows:

I wouldn't even say there is a real minor one. In our case, we state what we are going to do with the money through the six year program. Through the biennial budget we state what we intend to do with the money, and the other thing, I guess, is we can totally justify why we have asked, and that's the key to it .... I would say the variance between what is allocated to them and what the final year-end is, you are talking about 1.5% (at the most 2%) .... You know you can't say emphatically that some folks don't go on buying sprees at the end of the year, but, on the other hand, when I go down and
review the two or three hundred budgets that we have, I would say 99% of them have underspent their budget.

The way such control is executed is by dividing up the spending plan by program, object, and sub-object level expenditure.

The Budget Director describes the process as follows:

We control down to the object level, but we also look at the bottom line. We also do not allow transfers between personnel and non-personnel, [because] the goal is to try to provide as much money as we can for construction, which means, whenever we fund something else, it eventually comes from our ability to build roads. [The mechanism identified with this policy orientation is] ... the quarterly review process, that is, if they are overspent in an object, they can request a transfer of money between objects, and the big thing is that, as long as they don't go above their bottom line, then you know we will go along with it. Also the process calls for them to have it approved through their directors, where, we have the option to override that, but we exercise it very sparingly if at all.

Here, too, no clear mechanism is mentioned as to the objective conditions that require discretion or, if control is maintained down to the sub-object level, then to determine why discretion becomes necessary at all or why execution becomes a juggling act. Therefore, in reallocating funds, there seems to be no strict adherence to formal rules to guide the process. It depends not only on the discretion of the budget director, but also on the field offices and the understanding that both reach with each other. Thus when asked what is the percentage amount beyond which the budget director uses the override option and clamps down the transfer request, he res-
ponded by saying:

We even get questions like that from our auditors: "What percentage do you look at?" And it is very difficult to determine what percentage that is, because it depends on what program it is.

Therefore, lacking any objective and standardized indicator of reallocation, the idea of budget conformance becomes one of maintaining the aggregate budget totals rather than monitoring policy success. But it is the latter that formally stands as the basis and the purpose of the execution process.

At the Federal agency (Agency #5), the budget director views the budget department as playing the prominent role. In his words, "budget is where the action is." But this prominence is immediately qualified by saying that the budget department works in cooperation with the production department. Such coordination leads him to view the execution process as a flexible tool for planning rather than control. He reports:

You see, budgeting is a planning tool, and if you are going to constrain it by forcing it into a dollars and cents mode, forget it. You haven't got any planning tool any more. You are too busy looking for dollars and cents.... I think when you get guidance from senior management as to which way to go, then the internal conflict between those two things are removed to a large extent, and successful budget administration becomes a matter of doing what the guy says to do. They are not irreconcilable. They never have been.

The manner in which planning is put to practice is described as a matter of experience rather than simply a technical
expertise. Responding to the issue of how he gets to know the priorities, the budget officer notes:

To a large extent it's a matter of experience, and it's a conjunction of some of our organizational priorities that you know about. If there is a choice of funding a support requirement and funding a production requirement, then, all things being equal, the production one is going to weigh in every time. Everybody knows that.

The manner in which everybody comes to know about the priorities lies in the internal dynamics of the agency culture and not in the formal control process. Based upon such understood priorities, execution is controlled through reprogramming, which are externally controlled through congressional ceilings (having no real operational consequence), and internally controlled through the monthly budget review group meetings. The budget officer notes:

There is a congressional limitation on reprogramming. I don't know what that figure is, but there is a figure that says, you will not reprogram at a certain level without prior notification or the approval of the Congress, but it never reaches us. I doubt if it even reaches the headquarters.

This suggests that enough discretion is provided by the congressional ceilings so as not to invoke it in reprogramming decisions.

**General Observations on Budget Management**

[1] The stereotype of control in budget management portrays it as a function of naysaying. But the budget officers reject this view. While they acknowledge the control
orientation of their functions, they describe such control as constituting both procedural and behavioral elements. Furthermore, they entertain the dominance of the budget department while at the same time conceiving of budget management as a cooperative enterprise.

[2] Budget management utilizes different formats in reporting expenditure decisions. While operational planning is carried out on the basis of discrete decisions, budget control is maintained on aggregate amounts. No objective procedures are followed (except making interpretive judgments) to translate and relate the discrete decisions to the aggregate amounts.

[3] While budget management is conceived of in formal procedural terms, it is practiced so as to maximize the discretion of the budget officer to balance the various operational and competing needs of the agency units. While the controls exercised are considered to be ritualized procedures (e.g., Transfers, Requisitions, Reprogramming), at the same time such controls are viewed as the basis of purposeful budget action.
Section 4: Accounting Officers View on Budget Accounting

Generally, budget accountants do not see any differentiation between policy success and budget success. For instance, the Accounting Supervisor of the municipality remarks:

I don't think Finance as such has got that much of a differentiation between policy and daily objectives, because they sort of coincide.

Therefore, in this interpretation, budget execution is seen to be realizing the policies without any clear conception as to how this conformance is achieved. The Fiscal Manager of the State agency sees control occurring through the reconciliation of the different accounting systems and trial balancing the accounting ledger. He notes:

We prepare a schedule that shows reconciliation of our budget book to the entries of our financial system, then reconciliation of our financial system to the Comptroller's financial system.

This is accomplished by following a uniform accounting code that "dove-tails with the Comptroller codes." The process is described as follows:

Because we are a special fund agency, and we have construction projects that go on beyond two or three fiscal years with the money budgeted for maybe two or three years. Then when you finish one fiscal year, you have available cash that needs to be carried forward, while the DPB budget only has the budget for one fiscal year, and not the carryovers from the previous year. Our accounting system has that prior year cash budgeted so that it can be spent this year. We have to make those adjustments to make sure we reconcile the difference between the two.
In this account, it is noticeable that he is not quite accurate about the budget which operates on a two year cycle. This suggests that the budget process is not really what the accountant concentrates upon. This is reflected in his understanding of policy direction when he notes:

What I would consider policy? I have guidelines that I have to follow from a couple of different areas, one being the state Comptroller. Then I have guidelines and policies from the Accounting association, the Financial Accounting Standard Board [a unit of the Accounting Association], and in order to make sure that I am in compliance with those policies, I issue internal administrative procedures to help us meet those overall objectives, and we do that through issuing a fiscal manual, and in that manual we tell our staff how you do certain things, how do you process this type of data.... We have internal reports for our various units, and annual financial system for external use.

In this account, we see that policy is interpreted as professional guidelines and organizational procedures. The Fiscal Manager also reports disaffection with the existing system of financial management. He notes by saying:

I think we need to make some changes in the financial system. The financial system that we have was developed years ago, I like to describe it as buckets. Each bucket represents a project. You put the budget into the bucket, and the actual expenses into the bucket, and the balance left over is what you can spend. That's the way the financial system was designed initially, when there was not a lot of guidelines being offered from the accounting industry as to how it should be done. Now that we are getting these guidelines they began to modify the system that we developed years ago. It's been modified, and modified, and modified to a point that it's really not operating efficiently. So we need to develop a system that's more into today's technology.
The Accounting Supervisor at the Federal agency (Agency #5) views the control process as occurring through quarterly allotments, where accounting is not considered to play any discretionary role. Its role is to ensure the legal propriety of transactions. Yet the accounting function goes beyond such procedural checks. This dual interpretation is reflected in the Accounting Supervisor's narrative:

Accounting has no involvement in the justification of changes. A lot of time the budget people will say, "you have to tell us whether we can legally do it." A lot of documentation comes here after-the-fact and we have to legitimize it.

On a general level he sees the accounting system as a reporting system that registers the monthly status of funds. But he mentions that the accounting system is fragmented where "the program people keep separate accounting records."

He also views the accounting system as "a patchwork that has been modified and modified," and yet he does not see any difference between private and public sector accounting. This, given the fact that public sector accounting has developed accounting practices that are different from those in the private sector.

Thus accountants generally do not see themselves as exercising budget control. This is, despite the fact that accounting itself constitutes the primary mechanism of budget control.
General Observations on Budget Accounting

[1] Budget accounting follows both formal institutional guidelines and organizational procedures. For instance, the use of uniform accounting codes makes budget accounting a programmed activity to which purposeful activities like after-the-fact justifications of budget changes are added.

[2] Accounting controls are exercised through the reconciliation of different accounting systems as well as balancing the ledgers within each system. This becomes more than a programmed routine, because the mode of reconciliation depends on the nature of the fund structure and the various opportunities and restrictions that are built into them.

[3] Budget accounting follows detail technical procedures to ensure the accuracy of its reports while, at the same time, accommodating to the executive's intent and past practices of the agency. Therefore, accounting control becomes more than the "bean-counting" image that remains the stereotypical view of its function. The added element constitutes the varying degrees of discretion exercised by the accounting officers and their participation in operational decision-making.
Concluding Observations on This Chapter.

The accounts on all three categories of budget control point to the coexistence of compliance, coordination, and policy-satisficing forces in the execution process. The multiple lines of control -- whether exercised through the budget transfer, requisition, fund accounting, reconciliation, or aggregate ceilings -- are implemented in a flexible and strategic manner. This conception runs counter to the idea of total control projected in the nay-sayer image of the budget office. It also shows the varying conceptions of the budget control process. Therefore, this tacit dimension of control opens up the possibility of probing further into the nature and source of ambiguity in the process. The study of roles in the budget execution process is the next source that I turn to in Chapter VIII.
CHAPTER VIII: ACCOUNTS OF ROLE IDENTIFICATIONS
IN THE BUDGET EXECUTION PROCESS

As mentioned in Chapter II, the literature on budget execution does not touch upon the issue of role designation. In most cases, the reference is toward a general conception of the budget office, with a generic description of political and managerial roles. In this chapter budgetary roles are specified in the context of the budget execution process. In reference to the theoretical discussion on role, conceived of as a social construction of administrative activities, rather than the formally fixed functions in the organizational chart, this chapter analyzes the accounts of the budget officials to impart empirical meaning to such constructions. This amounts to showing that, in practice, roles vary -- despite their official designations and functional specializations. And given the interaction of roles in the execution process, such variations become more amplified, thus introducing ambiguity into them.

To bring out this point, the present chapter is divided into four sections. The first section discusses the variation in role designations. The second, third, and fourth sections discuss the accounts of the agency heads, budget officers, and accounting officers on their role identifications, role performances, and role expectations in the execution process.
Section 1: Role Designations of the Budget Officials

The three categories of agency officials involved in the budget execution process hold different designations of their roles. In the five agencies studied, officials involved in budget execution vary in terms of their job designations and organizational positions. Table 1, lists the different designations of the agency budget officials for the three budget functions.

Table 1: Designation of agency budget officials in the three budget execution functions.

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Budget Direction</th>
<th>Budget Management</th>
<th>Budget Accounting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency #1 Municipal</td>
<td>Town Manager</td>
<td>Finance Director</td>
<td>Accounting Supervisor</td>
</tr>
<tr>
<td>Agency #2 County</td>
<td>County Administrator</td>
<td>Finance Director</td>
<td>Finance Director</td>
</tr>
<tr>
<td>Agency #3 State</td>
<td>Commissioner</td>
<td>Budget Director</td>
<td>Controller Fiscal Manager</td>
</tr>
<tr>
<td>Agency #4 State Field</td>
<td>Director</td>
<td>Assistant Director</td>
<td>Accounting Manager</td>
</tr>
<tr>
<td>Agency #5 Federal</td>
<td>Comptroller</td>
<td>Budget Officer</td>
<td>Accounting Supervisor</td>
</tr>
</tbody>
</table>

For example, in the Federal agency the Comptroller is the designation of the official involved in budget direction, and accounting supervisor is the designation of the official.
responsible for the routine operation of budget accounting. In the County government, the Director of Finance is the designated official for budget accounting, and the Budget Director is the designated official for budget management. In practice, the Director of Finance administers both budget accounting and budget management functions, with the County Administrator functioning in budget direction. Therefore, from table 1, it can be stated that there is no uniform designation of budget officials in the three functional categories of budget execution. Not only do their titles differ, but officials also occupy different positions in performing similar functions. Budget officials also perform overlapping functions occupying similar positions. Therefore, budget execution is reflective of the agency subculture in which it operates. The effect of agency culture is reflected in the manner officials understand and narrate their role as well as their expectations of others' role in the process.

The general view of the interaction between budgeting and accounting during budget execution seems to be evenly divided. Accounting officials (except in Agency #3), generally see the interaction as harmonious, while budget officials are divided in their opinion of the interaction as either of tension or of harmony. On a comparative basis, the budget officers see their role as discretionary, infor-
mal, flexible, and built upon organizational norms; on the other hand, the accounting officers see their role as standard, formal, inflexible, and built upon professional norms. Overall, roles are conceived of as stable, but this very stability has different sources. For budget officials it is derived primarily from the agency culture, while for accounting officials it is derived primarily from their professional culture. Therefore, to sum up this section, role identifications differ from the official position descriptions. In fact, position descriptions were not regarded as having any significant effect on role construction. The following discussion will elaborate on role construction as narrated by the budget officials.

Section 2: Role Construction of the Agency Heads

All the agency heads identify their roles primarily in the budget formulation process, particularly in setting the general direction for the agency and its activities. They identify their role in budget execution mostly in terms of their periodic evaluation of agency activities based on some aggregate measures set by the different departments. For instance, the Town Manager in Agency #1 states that:

The predominance of the manager's involvement is not necessarily in budget execution, but in budget formulation and budget development process....
From the manager's standpoint I just tend to be more of a visionary and am interested in programs and the results and the measures, and the way I view that is, I keep, if you will, keep tabs of how well people are doing, how our performance measures are being attained.... In an organization this size, there is a lot of detail, and if you allow yourself to get consumed by those details, then pretty soon you can't be out claiming the important role of the community leader. In order to have that time you [have] got to delegate responsibility, have good people working for you, have trust.

A similar view is offered by the Commissioner of Agency #4:

I get most involved when formulating the budget. We hold internal hearings, which I personally conduct, and I raise questions and give instructions to the budget division in terms of decisions I want to see carried out.... For example [when there is a revenue restriction] we won't be cutting the budget from here. We will be asking people in the field who make those decisions to tell us where they are going to cut, where they are going to reduce. Well, I want to see an explanation. I want to have the opportunity to make sure that there is not a gamesmanship or politics going on in those kinds of decisions. But by and large it will be monitoring or reviewing to ensure that there are areas where they are literally trying to achieve the same goals that I am.

But not all agency heads share this passive role. The County Administrator (Agency #2) identifies his role in terms of an active involvement in the execution process. He notes that:

I think of myself as a catalyst and a facilitator. They probably think of me as a dictator. Really, I work very much as a catalyst, a facilitator. I give all of my staff a lot of flexibility, involvement in decision making, because they are the ones who know best what's happening in their area.... Sometimes I will visit the various departments. We are large enough. Yet we are small enough that I am pretty familiar with what's going on. Large enough to be able to delegate and I like
that... [but] most of them [departments] compete not to have my attention. No, that's a joke, seriously, I don't think so, I think we have a good balance.... I interact a lot with the budget department, because of the goals and objectives of the review process, making sure that things are handled properly.

A similar active role is narrated by the Comptroller of the federal agency (Agency #5). He mentions that:

My first love is the operational day-to-day matters of funding down the requirements, making sure that the job gets done, and every day is different. It's exciting. It's challenging. I am not crazy about doing studies, or analysis, or reorganizations, because they come and go. But, when I am getting my fingers dirty, so to speak, making sure that some new requirements get done, I get some satisfaction out of that because, I like to deal with managers, and wheel and deal, and to make sure that the job gets done as quickly and efficiently as possible.... I guess they probably think that I am over there [budget department] too much. But that's my first love and I enjoy it. Now maybe the other division [accounting] will say the opposite. Maybe they don't see me enough. Maybe that's just a reflection of where my interests lie.

Such variability in role identification and role performance to some extent influences the nature of interaction between the budgeting and accounting functions in each agency. Each variation can thus be considered a contributing element in the creation of agency sub-culture. For instance, the Town Manager sees the accounting function which is housed in the finance division in the following terms:

Often times accounting procedures are very strict, rudimentary, and offer little flexibility. Because that's the idea behind accounting, to have very little flexibility so that you can account for
things... as we go through the budget, and again we concentrate upon performance -- on what we are doing rather than what we are spending, finance kind of plays a back seat role. And only when we need to come up with more funds do we go back to finance and say, you sure what your projections are? You sure you don't have the green eye shade out there little too tight?

Contrast this position with his narration of the budgeting function performed by the Finance Director:

When the budget is approved, it becomes the finance department's responsibility to see day in and day out.... [The] finance director is more of a team player, who understands the perils of the operating departments, and when they have to make those critical decisions to allow flexibility, they can make them and feel better about it. Because a lot of finance directors [meaning the accounting types] don't like flexibility, because they have been trained and ingrained with the idea that to maintain the integrity of the system, I want that [meaning control], but there has to be some flexibility. I think it really helps the finance directors too.... Because what happens is, if you withdraw from the operating department heads and don't give them flexibility, they will find it some other way, and what they will do is, they will lie or they will go around the back end of the system. And the finance director thinks that everything is OK. But just because these folks are coding it different to meet the system, they will say, fine, you want to have your damn system, you can have it, but I am not playing the game. I will just code things that I know. You really have to know what I am buying. Really, there is no integrity there and the system and the citizen loses.

Given these two very different operational perspectives, the Town Manager then identifies how these two roles fit together. He narrates that:

When one is doing budgeting it is very difficult to get down to maybe $100 increments, and pretty
soon you find yourself in conflict [with the accountants], because you have underestimated on one line item and not on the other line item, and then all the bureaucratic necessity is to switch things around. But although they come into conflict, it's a conflict well worth having in order to maintain the integrity of the financial system. There is one major thing that can get organizations like this in great deal of trouble, and that is for the citizens not to have confidence in the financial integrity of the system,... and that's why I get very involved in the auditing process.

Recall that he remarked how one of his controlling acts involved challenging the auditors. In actuality, this challenge is met in a less direct fashion because, as the Finance Director mentions, she resolves all outstanding problems before letting auditors check the budget. In this arrangement, problems are resolved before the challenges are faced.

The County Administrator views the accounting role as pretty much a recording activity and the budgeting role as making the tough decisions. For instance, he mentioned that:

Generally the accounting people are the people who like to work with financial figures. My budget people work with figures too, but I use them much more as management analysts.... During the year if it is necessary to transfer funds from one major account to another, I put those back through the budget department, because that's something that we may need to program into next year's budget. So the functions are fairly separated.

But this separation takes different degrees of importance under varying conditions. For instance, in response to the question "whether the accounting and budgeting procedures
conflict," he remarked by saying: "no, not really, only when there is not enough money to go around." But when conditions are normal, the functions are integrative, with budgeting in the leading role. The County Administrator describes the budgeting role as follows:

It is budget and management. Probably I would reverse the title into management and budget. See, a lot of time I have my budget people working special projects.... I send them as trouble shooters. They bring in financial background and the management perspective, and so there are times when I like to have them go in and do a work flow analysis, improve the operations of the departments.... There are times when you can allow finance to run the show or the operating departments to run the show. I prefer the operating departments to run the show. The finance department does state their dissatisfaction about that, and I resolve it by letting them be a part of the decision.... They both are part of a top management team that I have.

Therefore, in the case of the County, integration of accounting and budgeting functions and the roles of the two departmental officials is very much regulated by the direct supervision of the County Administrator. It is this agency culture that does not result in budgeting and accounting becoming two distinct entities, even though they remain separate in their functions.

The Commissioner of the State agency (Agency #4) sees the nature of the interaction as both congruent and incongruent, displaying both harmony and tension. He narrates:

Well, I think there is always a certain amount of incongruence between those two processes, because
they do have different objectives in mind. One is a planning mechanism, and the other is a documentation and control mechanism.... Budget [people] would consider themselves as more policy and program oriented, and the fiscal division would see themselves as more detail, accounting oriented, ...but I think largely they are congruent in that, the finance accounting system has to be set in place to flow from the budget decisions that have been made and implemented. But here, we have an unique problem in that we are working on the basis of revenue estimates with the expectation of the revenues being realized, But if they are not realized, then we have to make major adjustments, even though those funds have been appropriated to us, because they don't exist. In a general fund agency when the funds are appropriated you know those funds exist. In our case we don't know that.

The need to make adjustments due to budget uncertainties and the restrictive nature of "fund accounting" causes frustration on the part of the accounting office. As the Commissioner narrates:

I am sure it's frustrating to make those kinds of changes, but I wouldn't consider them to be anything more than routine frustration with any kind of job, ... but it doesn't frustrate me.

The Comptroller of the Federal agency (Agency #5) sees accounting also as a passive function, but he also acknowledges its functional fixation and institutional significance. He notes:

accounting people can care less what the original budget was, they can care less what the proposed changes are, they can care less what the shortfall is. The only thing they want to know is how much money we do have, and where it is.... I think accountants don't need to be loyal strictly to the agency, because their profession is government wide, and they can go to any agency and not really miss the beat, so to speak. I think when you get
into the programming side, you get to know the mission better, its a little bit more parochial, but when you are in accounting, you are picking up a document and processing it, or making up a report where there is a lot of numbers, and it really doesn't matter to you whether its a map or ship or missiles or a can of beans that's behind your accounting for the products.... I think most people rightly or wrongly perceive accountants as quote "bean counters, inflexible, very narrow minded," and to a certain degree I agree with that, because I have dealt with some accountants.

In this agency, the identification of the budgeting role stands in sharp contrast to the accounting role. For instance, the Comptroller notes:

The budgeting people they [have] got the power.... When you start working in budget, you have to be a little more flexible, there are grey areas. Most accountants are very narrow minded, they want to make sure that it has come to that exact penny, and that the i's have to be dotted and the t's have to be crossed. In budget, hell, if you have to come within a few thousand dollars then you are happy. You know, I have seen some accountants become budget officers, and I think they spent more time, and have wasted more time in worrying about minute details rather than looking at the big picture. When I got into the budget, I enjoyed it from the standpoint that you are involved in everything. You know every day-to-day operational decision.... They are looking for help from you and your opinion. Where do you get some money set aside that we can use? Where is the weak area where we can delay to later in the year?

Therefore, the interaction between budgeting and accounting remains highly institutionalized -- where one routinizes the institutional values of financial control, and the other adapts them to the agency's need. The Comptroller sees this as a complementary arrangement. For
instance, he remarks:

The budgeting people have to rely very intently upon the accuracy of the accounting data. So the budget types know that all their decisions are based upon the accuracy of the accountants. So they better have some faith and confidence in them to do a good job.

Summary of Observations on the Agency Heads' Role

From these accounts one can observe that agency heads do not have a common conception of their roles or a common expectations of the budgeting and accounting roles. Agency heads are either active or passive in their role performances. They also did not offer any clear conception of the areas of congruence and incongruence in the interactions between budgeting and accounting. As a result, role expectations vary despite their formal specifications. Agency heads, who identify their roles in terms of budget direction, tend to see themselves as concerned with the big picture, being a facilitator of the process, maintaining organizational legitimacy, securing accountability, and resolving organizational conflicts primarily through the informal mechanisms.
Section 3: Role Construction of the Budget Officers

The Municipal Finance Director (Agency #1), who is both the budget and the accounting officer, identifies her role as follows:

I think I am more of an accountant than a budget person, because the budget is already laid out anyway, and it's rather simple what goes through, and accounting is more detailed and it's more judgmental.... For some departments it gets a little bit confusing with all these line-items. For me, I like them.

Such role identification where she sees accounting as judgmental rather than simply routine can be attributed to her role development process. She notes:

My degree is in accounting. I am a CPA, but you see I have come up through the ranks. You see, I started late in accounting. I was in food service before that. If you want to talk about participation or team playing, you have to be or you are dead.... So I don't come from a straight accounting degree, you know, starting at the age of twenty one going into public accounting, which is what most people do who have become finance directors, and a lot of them are in public accounting, which is very rule oriented. You know, "thou shall not." It's a very stratified layout.

This role development is more pronounced in her dealing with the departments, as she notes:

There is not an adversarial relationship by any means, but you know, sort of, there is. There is us who wants to spend our money, and there is they who say no you can't. Well, you know, we are friendly on an individual basis, and I know a lot of the people, and joke and kid around and everything. But when it comes down to a purchase order or something that isn't quite right, then it's
sort of you have a different face on.... It's their job to try, and it's my job to say "wait." You know, I think that's pretty well understood. It's a learning process. You know. You have to. The first few times, it was very hard. I thought "are they going to hate me?" I will never be able to ask them for anything again.... You know, there are certain ways of approaching people. Basically, everybody does what they should do, you know it depends on the situation. If there is something that is very closely approaching an emergency, I am going to try and help them find a way to get around it. If it's something they decided they wanted, an IMB PC, and they are going to go out and buy it, you know, I am going to say, "no, no you are not."

What the Finance Director does in the capacity of a budget officer is to use interpretive judgments in expenditure decisions. In this capacity she does not abide by the standards of exactness that are generally associated with the accounting role. She remarks that:

What is clear from an accountant's point of view may appear differently from the budgetary point of view because, you know, an accountant's point of view might not be the right one for the particular situation.

What emerges from the account of the Finance Director is that, although she is, by training, an accountant and holds a traditional view of accounting, her functioning in the capacity of a budget officer brought changes no only in her approach, but an identification that is closer to the budgetary role. The budgetary role was one that she did not seek, but one which she was either thrust into or one she made for herself.
The role identification of the County Finance Director (Agency #2) also shows the dual role performance of the budgeteer and the chief accounting officer. For instance she mentions the gradual transformation of her role in the following account:

I came up through public accounting background. So I was talking accounting a lot, and now, I need to switch from talking accounting to just plain English. That came up as a lot of problem doing Board reports and things for the board that they will not understand unless you put it in a language that they understand. We have a lot of problems with things coming in. They are giving it to us in their language, which isn't detailed enough, of what we need to know to put it in. So we end up following up a lot of things we get, to seek what exactly you are saying here, where exactly do you want it. I guess the accounting background makes you logical and organized. Well, I was a little surprised when I got into the real world. I thought I liked accounting, cause I didn't like dealing with people that much. But really, dealing with people is still a lot higher percentage of what you do in accounting. I guess, I finally figured out in the last couple of years. I really do like dealing with people anyway. In this job, I don't know. Probably in most of the accounting jobs, I don't think they stress it at all -- any people skills, and that is the main thing.

In her capacity as the chief accountant, she also identifies her role as providing technical expertise, the sources of which lie in her professional identity and competence. This is an added dimension identified in her role compared to the one identified by the Finance Director of the Municipality. For instance, she remarks:
The government has gotten so specialized that unless there is a governmental process, you have nothing in common with the other ones [private sector accounting]. There is a GFOA conference [Government Finance Officers Association]. A lot of us meet and call each other on a lot of issues that come in. So [as for] the particular group which is limited to governmental finance people, there is a lot of interaction in there.

She mentions that her job description (Appendix 2A) is generic, that her actual job performance differs from it, and that she is not certain as to whether in the job description -- her authority, responsibility and accountability -- is clearly laid down. The official job description stipulates the Assistant County Administrator to be her supervisory official. But, in practice, she directly reports to the County Administrator, whom she considers the supervisory official. The job description does not specify her actual duties. In very general terms, it identifies all of the financial operations (computing operations, utility billing, payroll, audit coordination, report preparation) as duties associated with the position. But the description is clear on the qualifications for the position, (i.e., one has to be a Certified Public Accountant and be knowledgeable of the accounting rules and regulations). Thus the official description makes the position that of a specialist, but, in actuality, the Finance Director considers herself to be a generalist. She further remarks that "people have multiple roles to play in a single position." She notes:
We are putting [in] a new financial system, and we are going through a consolidation effort which is switching duties from another department over here, and most of the things that we are heavily involved in right now, have nothing to do with the day to day transactions that you would expect to come through this office.... At the department head level, there are some I may enjoy working with more than the others, but I don't. I may inadvertently do it, but I don't mean to do such favoritism.

The role identification in the budgeting function, in contrast to the accounting one, is understood to be less clear-cut. For instance, she notes:

I am not really sure which one department is working on budget or accounting. You do this for six months and then you stop, because you have to get to the other unit, and then when you finish budget, you just get off it as fast as you can and move to the next thing. By putting it in a separate department you can expand the time frame on what you are working on. Most of the budget transfers, they all end up going through here. Sometimes they start in the budget office and end up over here, depending on who[m] they catch. A lot of times our duties get confused a lot in budgetary matters.

The vantage point of participating in both budgeting and accounting brings out the distinctive function of the former. For instance, the Finance Director remarks:

Budget is, I guess, mostly a package that you can play with, move it around, until it's the way you want it. Once it goes into the ledger, one entry puts it in, and you have to actually make other entries to move it around.... Budget is a lot more political than finance.

On a more personal level, she narrates how working in the budgeteer capacity has affected her role development pro-
I have changed over a couple of years. I have gone from being almost a totally technical person to a more managerial person -- where I don't do any of the technical stuff myself anymore, and I think, that may have skewed my concept, because, now other people are doing it and I am just monitoring what they are doing, and my time is mostly spent in political judgment calls instead of the technical side.

Another type of dual role performance is narrated by the Assistant Director of the state field agency (Agency #3). The Assistant Director of administration, who is in charge of budget execution, also assumes the role of the agency head. On the specification of his job description, he remarks that:

I wrote it, so it matches exactly with what I do. You have to understand how it works. You know there is a generic job description, it's called position specification, and I am allowed to write my own position description, and it's approved by my director. The generic description is actually very different from what my description actually says.

On the question of actual role performance, the Assistant Director identifies the multiplicity of roles that he plays:

I am the chief financial officer as well as being the chief operating officer, and because I am a licensed nursing home administrator, for a section of the agency I am the chief health officer as well. I like it. That's why I am in the job. That's why I am in health care. Its because I do many different things. You know, I came up through the finance ranks, but I always wanted to be a general manager. I did not want to be a finance person all my life. I do think that coming through the financial ranks has helped me though.
This role orientation is shaped by his formal position as the "number two person in the organization," and what he pointed out to be his MBA training. In operational practice he describes his position and his relationship with the director in the following terms:

I keep him informed. That's his style of management. He will not interfere with me as long as I don't get him in trouble, as long as there is no major problem. He is ultimately responsible for it, but that's been totally delegated to me, and so, to give you an example, anything related to the budget, I can go to any of my colleagues or to an equal plane in the organization, and I can speak as though I was the director. So if this division is giving me problems, I will go in there and say I am going to cut this or you can't do this, and these people know that they can't go back to him, [that] he won't override me, unless I am way off-base. He always has the ultimate authority.... [For example] I authorize the travel as well as the director, but from the budget standpoint, I sign off on it, but policy from Richmond dictates that the director must sign off on it as well, then he signs off more for appropriateness.... At the agency level, the facility level, I am the developer, the architect, the controller, all those things.

This combination of budgeting and general managerial role is reflected in his remarks on how he manages the execution process. The process described utilizes more an informal than a formal control mechanism. In fact he mentioned that, "in our agency, unless I am in trouble, unless I have a problem, I won't write it down, I will just discuss it with them." One instance of this is described in the role playing of the no sayer:
I get physicians all the time coming to me and saying, we are not taking care of these patients, and if you take away money from me these patients will die. Well, I know what they are doing, because I have dealt with them long enough, and "die" is an exaggeration.... My chief of medical staff talks to me all the time about how she needs another physician. I look comparatively at other hospitals like our's in the state and tell her that we have a good ratio, so I can't deal with her request. She will say to me, "these people are sicker than normal," and I just say what I found is. I have found that most people are willing to accept my decisions if I have given them audience.

This blending of roles between agency leadership and budget management is further captured in the manner in which the Assistant Director deals with the accounting department. He notes:

In my mind, the budget and accounting are very closely interrelated. I hardly ever go to the budget manuals and don't go much to the accounting manuals.... The accounting manager reports to me. So if I have an issue, I would go to him and say, here we are, let's get together and work this out.... The only time that I get into interpretation is when my accounting staff doesn't know what to do. They will say this is what the policy says, but this doesn't exactly fit, and then I will make a judgment.

In this account, the roles of the accountant and budgeteer are seen as closely interrelated but not necessarily closely integrated. For instance, the Assistant Director draws the difference between the two as follows:

Clearly accountants like to have things concrete. Accountants aren't managers. They are not leaders either. There is a fundamental difference between management and leadership. My belief is, if you can count it you can manage it, if you cannot count it you lead it. If I am going to get any-
where, I cannot count a person's thoughts or feelings, the risks involved in taking an action. So I must lead there, and that means where I want to go and then I take action that lead me to that direction.

It is leadership that primarily constitutes the role identification of the budgeteer. A role identification which is not only reflective of the agency culture but also of the role occupant's personalities.

The budget officer of the State Agency (Agency #4) does not seem to manifest the role-duality seen in others. Here, the budget department is completely separated from the accounting department. This gives the opportunity to view the process in more exclusive terms. For instance, the Budget Director notes:

My role in budgeting has remained fairly constant, because, even though we have more duties placed upon us, that's our primary job. It's budgeting. Everything always goes well when we have plenty of money. Your real hard work is when the resources start to become scarce. When we are in the salad days, when we got a lot of money, budgeting kind of takes a back seat, but when things start getting tight, it moves up. Because we are the budget office, we get a lot of the ash trash that rolls around the agency.

In narrating the stable elements of his role, he mentions:

We monitor programs as well as people, you know, program managers, directors, that are responsible. We have the general oversight function to make sure that all the pieces fit together and that we don't over expend our program amounts or total budget.... We monitor them for any aberrations. We also try to keep forward looking, to see if anything has happened, or potentially may happen that may upset the apple cart. We disseminate the
report and act or react to whatever the reports tell us.... I am in an atmosphere where I feel that I can have my say. Once my say is done, I will go along with the program.

The nature of involvement and interaction with accounting is seen by the Budget Director as less concerned with agency goals and more concerned with procedural compliance. For instance, the role of accounting in the budget transfer process is described by the director as follows:

They [budget transfers] start with us, and accountants don't even get involved with that. They could care less, because they go by the bottom line. Fiscal gets upset when a program goes to overspend. That's where they get involved with us.

Therefore, from the perspective of the budget officer, the role of accountants is considered passive and routine. On the other hand, the role of budgeteers is considered active and creative.

The budget officer at the Federal Agency (Agency #5) also identifies his role in similar terms (He too operates as distinct from accounting).

The job description pretty much matches with what I do. We have revised position descriptions so it is kept current.... Philosophically I don't see a radical shift. There may be a gradual evolution in some cases, you know, a lot of cases in reaction to changes in the total organization structure.... You always have to accommodate points of contact, handle personality differences. I think at the supervisory level it becomes more pronounced than it is at the working analyst level, [be]cause you are going to deal with more controversial sub-

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Such identification needs to be supplemented with a more personalized view of the budgeteer role as depicted in the following narrative of the same budget officer:

This job, you know, I find it satisfying. It's not everybody's bag. Some people don't like this type of work. I like it. I got into the controllers business for 20 years. I used to drive an airplane so it's been a big switch. I just find it fine. There is enough of a variety here that it isn't that dry thing. Now I have a problem with being an accountant to some extent. Being an accountant is not something very exiting to me, and the budget poses [a] certain challenge that you don't have in accounting.... I think that what I like about it is, budgeting to a large extent is not a straight jacket like the accounting function is. There are a lot of things that are different. New things come along and you have to accommodate those, fit those in a framework in your available resources. So the constant adjustments you have to make, and that sort of thing are what I like about it.

Interestingly, this more accommodative and political aspect of role performance is captured in the position description of the budget officer (Appendix 2B). Also, the budget officer sees no real interaction with the accounting function other than the formal routinized one. He sees the process as follows:

We have a lot of contact but you are going to find a difference in practice on both sides. There they do it one way down there, and we do it another way. Here you have to deal together and make accommodations, and those are minor technical points. The accounting function is pretty automatic. It's a matter of entering the data in the computer, they don't have any insight of what lies behind the figures that they process in some cases. In other cases they know, and then again, accountants do not know what the requirement is. They deal with a name and a number and an accounting code.
He goes on to describe the accounting role as having a potential to be dysfunctional for budget execution. He notes:

My perception is, if you gonna have a real problem, it's always going to be in the budget field. Accounting runs itself. Let's face it, you are going to get annoyances such as, his lordship somewhere didn't get his voucher filled out right, and they didn't pay him for his last trip for three months. That's knit-picky stuff.... I worked at the state level, and their budget function was performed by the accounting office, and they introduced a lot of the philosophy of accounting into budgeting. As a result of it, it got to the ridiculous point. They were filling up budget documents and adding it up at the dollars and cents level. In a budget of 150 million dollars they are looking at 29 cents. They spent hours looking for 29 cents. Who cares? They should have wiped it off at the thousand dollars and go [along] with that. That's when you get bean counters involved in the budget process, because they have a different focus and perspective.

Summary of Observations on the Budget Officers' Role

Budget officers involved in budget management tend to see their role as complex, flexible, discretionary, accommodative, trouble shooting, and situational. Budget officers who carry most of the budget execution functions through the authority delegated to them see themselves as "running the show." All of them describe their role in terms of their agency norms and missions. They tend to see their role performance in terms of the exercise of power, providing program support, and affecting political compromise. Budget
officers see their role in the budget adjustment process, primarily in terms of initiating and managing budget transfers and creating budgetary slack.

There is no uniformity in the role constructions of the budget officers. First of all, playing dual roles in a single position generates variation in role-cognition and role-performance. These variations also reflect the administrative sub-culture of the agency as well as the personality of the officials. To illustrate one such variation, when the role is distinct, budget officers consider their performance as creative and active, on the other hand, when roles are merged, they see their performance as passive and compliance oriented. Role construction also varies in terms of the discretion exercised by the budget officers under varying situations.

Finally, budget officers both admit and deny adversarial relationships with the accounting officers (or the accounting function when they are merged in a single position). Therefore, far from being a technical expert and a control person -- in operational practice, the budget officer's role contains much complexity and ambiguity. It can thus be inferred that ambiguity is an unintended structural outcome of intra- and inter-role dynamics.

How different are the perspective and focus of the accounting officials from those of the budgeting officials?
The narratives that follow draw out the views of accounting officials in four of the five agencies studied. The reason for not reporting on the County is that the Finance Director there performs the role of both budget and accounting officer. Therefore, I did not hold separate interviews with the same person.

Section 4: Role Construction of the Accounting Officers

The Accounting Supervisor of the Municipality (Agency #1) describes her role in accounting, saying that:

My role is to review accounts, make sure that accounts balance, and update it during the month. ... I think most of the inside people know what everybody's duties are, and they don't expect you to be much different from that.

How this accounting role, considered as simple and predictable operations, gets developed and nurtured can be seen in the following response from the accounting officer:

I have never thought of myself as an accountant until I have started this master's degree. I have seen that I have changed. For somebody who never thought that they would even have liked math, to end up in this field, is a total turn-around. I think it has made me more exact in a lot of things. You know, I didn't used to care whether my check-book balanced, but now, I will investigate it down to the penny....

But then she goes on to describe the accounting function as deviating from the premise of exactness. She notes:
Because the financial statements to a certain degree are estimates, you accrue things, like if you expect revenue in the next thirty days you go and put it at the end-of-the-month financial statement. So, that's not actual revenue that has come in to that point. So there is a certain amount of estimation in every financial statement. So it's not the actual picture.

A similar passive role conception is conveyed by the Accounting Supervisor of the federal agency: He notes that:

We are strictly concerned with quarterly allotment. Our role is rather limited -- legal propriety of transactions. We care less what is the concern, our concern is whether there is money in the overall budget, budget is dependent on us.

As previously mentioned, the Accounting Supervisor did not permit me to record the interview on tape or write it down. Therefore, the very limited information that I gained is based upon my recollections immediately following the interview. One important aspect of his narration concerns the differentiation between the accounting and budgeting function. He notes that:

Accounting is concerned with whether the money is there, what's being bought, while budgeting is concerned over whether there is money in a particular program, what is projected... In the budget office, there may be more uniformity. Their work is not as varied.

This view of budgeting as not "varied" is a unique conception because, in almost all the narratives, everyone considers the opposite to be the case. Therefore, either the accounting officer in this case mis-spoke or his perception is unique. One reason for such perception could lie in
the functional fixation of the accounting role which is then projected on the whole process.

The Fiscal Manager of the State Agency (Agency #4) gives a more detailed description of his role and the interaction between accounting and budgeting. It is noticeable how the role of accounting remains relatively stable even when it is viewed from a higher position in the accounting hierarchy. The only difference is that more recognition is given to the informal aspects of role performance. The fiscal manager describes his role in the following terms:

We are kind of reaction oriented. We have set procedures, and what we are doing is processing information that comes through, and basically, that's the things that have already happened. We have purchased the goods, now we have to pay the invoice.... Everything within this division is pretty much routine. It changes, but it's something you should come to expect.... In the budget execution process there is not a lot of major decisions that would be made here...I think there are a number of things between the lines that's implied in the job description that's nowhere articulated, [but] you get a sense of them through observations, discussions with people.... I wear hats from actually doing some detail accounting to serving as a sounding board for staff, sounding board for other staff outside the fiscal division. Right now, I am facilitating between our agency and another state agency to resolve a crisis. I have to put on a planning hat to plan our operations. Sometimes I put on a hat of a tough guy. Sometimes I put on a hat of a good guy.

Asked whether this varied role conception is typical of accounting officials, he responds by saying:

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That's an interesting question. I started off in a public accounting firm, and I have been into a number of different companies as an auditor, from retail to government, manufacturing to banking. Then I have been in the controllership of a non-profit organization and then here, and during that period of time. I have been exposed to a number of unique experiences, which I think helped me broaden my horizons. But a lot of time many accountants are only brought up in only one mode. They go into one operation and stay there for 20 years. So their experiences are limited. So they really don't know how to reach out and learn other things, to learn operations. They don't see the importance of understanding the big picture.... In accounting operations, particularly in large organizations, where you almost have autonomous units all over the state. You kind of view this department as they are the guys issuing us the regulations to comply with. They don't understand what we are doing. They are issuing guidelines that don't make sense in relationship to our work. Why do we have to do this.

Having projected this broader control role, the Fiscal Manager then reverts to a more technical conception.

I am a type of person who digs. I like detail. So when I am asking questions, I ask why. I took a test a few weeks ago, and I was always on the side of asking why, [i.e.,] getting very detailed.... I consult with other members in the accounting profession for interpreting procedures, to get clarifications....

The interesting part of the Fiscal Manager's role identification concerns his involvement in the budget transfer process. For instance, in contrast to the Budget Director's view of accounting as having no involvement, the fiscal manager notes that:

[T]here are also times where there needs to be a change in budget from one project to another, and I don't think budget really gets involved in
that change, and that's because the allocation for construction has been made. So now the program people want to move the fund from one project to another because this project is over. Maybe it had a surplus of funds. I don't think budget gets involved in that approval, but I do. There is a change form that would come from the program and scheduling department. What happens is [that] once that's approved by program and scheduling we book the entry.

But in describing this adjustment process he admits of not being "aware of what the budget transfer ceilings are," he suggested that I ask the budget director about that issue. From his perspective there is not a lot of interaction between the budget and fiscal division. Most of the interactions are very impersonal, formalized, developed through procedures and forms, and when there is a problem, an informal meeting is scheduled to resolve it. The interaction is described as follows:

[T]he budget division is more concerned with the overall standpoint. You know, the big picture. I have a budget for this program. Ok, and as long as you don't go over the budget for that program I am all right, but I have to make sure that the things that are charged into that program are appropriate. So, that's why I have to make sure and ask those detail questions of why, what's going in here.... I think the interaction is very good right now. We interact, particularly at the beginning of the year in the budget session. We sit down and go through the budget. To get an understanding of what's there, what needs to be booked, what's sensitive..., but we don't have a set of regular meetings. I have a quarterly meeting with my accountants in the field, and they attend that on a regular basis.... We disagree sometimes on the procedures and who should do what. We resolve that through compromise, negotiation.... In terms of trying to project what our cash balance would
be, we coordinate with them in terms of when to make those transfers, because, if we don't do it in the right time it throws the budget module completely off.

Although the Fiscal Manager identifies the present interaction between accounting and budget division as "very good," he also describes the process in a way that makes it sound as though it leaves a great deal to be desired:

I don't think we have refined the process at this point. What we have is adequate to get the job done with some meetings, but we haven't refined it to a point where it sails through.... A couple of years ago I think that there was a wide division between the two units. A wide gap there, and I think there is always a tendency, if our expenditures had exceeded the budget on our books, there was always a sense to point a finger out to budget, and I also get the impression that there is a tendency on the other hand for budget to say, "well, that unit should have told me and then we would have corrected it." The fiscal unit would say, "well, you get the same report that I do, how come you didn't see." So I would have to say that there was a tendency to point fingers, and I think that there is not a very good interaction between the two. I think that they are better now in their communication. I don't think that we have gotten to the point where we are free of the finger pointing, but I think we are making progress toward that.

In contrast to the role of the Fiscal Manager of the state agency (Agency #4), the Accounting Manager of the state field agency (Agency #3) presents a more involved role in the budget execution process. In doing so, he supplements his role with the typical accounting functions.

It is more operational and standardized. We got a balance sheet to look at the vouchers or the accounts payable area. There are documents to
authorize purchase. All of those come together to meet the [requirement of] accuracy. We also look at the cash management aspect of budget.

He then goes on to describe his role as follows:

How closely [do] I fit with my job description? That's been debated for some time within the department. Those of us who are actually functioning in the role that I am in don't feel that we fit that. Ours is more skewed to management as opposed to actual accounting work.... One looks at it as being round pegs in the square holes.... I play many different roles within the organization. I think it depends on the individual, for some, because that's their leaning or they will strictly stay with the accounting practice. [For instance, he mentioned that] You are educating department heads and staff on utilization. It's an education process. In the support services area, we have been in the process of making the department heads cognizant of what the budget process is, what money is available to us, what their share is, how the money is utilized.

He then elaborates on the informal aspect of his role:

I am trying always to be one step ahead of the formal process. I like to get at the grey matter thinking [meaning the exercise of judgment rather than simply relying on the programmed routines], "O.k. how are we going to go ahead and react to this? ... Anything that I have seen in my experience that may impact? Problems of broken down equipment? Overtime? Maybe, we didn't have it last winter?" So, even our historical data is not representative of what's happening here. Well, it's not the same. All is changing, and it's a challenge to go ahead and address that.... I will get together with the budget analysts and say, "we have to do this. What do you think?" Well, I have even got into the detail, because having worked with a lot of the department heads out here for some time, having that working relationship. I just get them on the phone and say, "Hey, how about coming to my office?"
This role identification has also shaped the Accounting Manager's view of the interaction between accounting and budgeting. He describes the interaction in terms of "keeping some balance in the scheme of things." For instance, he makes the point that:

I don't think you can go and rank these [budgeting and accounting functions] in terms of one being more necessary than the other. I think both of these are critical. Because I think, first of all you got to have information to be able to give the manager, so that they can make decision. Likewise, you got to go ahead and know that the information is accurate. I see them on a par with each other.

He describes the interaction with the budget office as more informal and personal:

We are in constant interaction with each other. I may in conversation tell him [Assistant Director], "Hey, have you seen what's happening with our telephone?" Or "We have a problem here, can you go ahead and take a look at that?" It's almost constant on a day-to-day basis. I will talk over the phone, or drop in his office, or he may come up here.... I start calling around my other colleagues at other institutions within our department, or any other folks that I feel they may have a feel for, and they go ahead and contact the budget analyst at the central office, and here I have got such a working relationship with these folks. I may go directly to somebody and see if I can go ahead and find something from the Department of Planning and Budget, or whatever. And so I will be feeding it back to the Assistant Director, or he may have got a call from other Assistant Directors about something and say he's hearing this -- "What are you hearing?" Or "Have you talked to anybody on that?"
The role performance of the accounting officer is one that is constructed through the interactional process rather than stipulated by his position description. The position description gives a more formal and rigorous picture of the accountant's role (Appendix 2C).

**Summary of Observations on the Accounting Officers' Role**

Accounting officials who are tasked with budget accounting vary in their role-construction. Some see their role as technical and impersonal, while others see their role as complex and having personal involvement. In general, accounting officers do not see their role as inflexible or mechanical. The accounting role is also identified to be uniform and system-wide, with the primary identity going to the profession rather than to the organization they serve.

The role constructions also differ in terms of the variations in the roles, although, not to the same extent as that of the budget officers. One needs to keep in mind that, in three of the five agencies, the accountant and budgeteer roles are merged in one person. Given this fact, variation within the accounting officers' role-cognition and role-expectation is also observed. For instance, while some accounting officers see their role as reactive and mainly routine, others see it as proactive and situational. While
some see it as accurate record keeping, others see it as interpretive.

Whatever the variations, one common thread that runs across all the accounts is that, contrary to the stereotypical view of accountants to be indifferent practitioners of their professional expertise, their actual role constructions are more adaptive to the agency culture, mutual role expectations, and personalities. Therefore, on closer examination, their accounts also indicate the absorption of some degree of ambiguity in their role construction process.

**General Observations on Role Identification**

There seems to be no general acknowledgement of either the congruence or the incongruence between budgeting and accounting roles. Rather, the positions are evenly divided on the issue.

For all three functions in budget execution, the role identifications are stable but not necessarily consistent with each other. This is because role is not a static concept. Its meaning emerges from the dynamics of the personalities, informal patterns of interaction, and agency subcultural norms. It is this dynamic which brings ambiguity into the role-cognition, role-performance, and role-expecta-
Role ambiguity in the accounts of the budget officials has two sources. The first is in the dynamics that are internal to each role. In this instance, ambiguity emerges from the variations in each role. The second is the dynamics of the different roles. Here variation occurs in terms of the mutual role-expectations among the budget officials and the subsequent degrees of congruence and incongruence experienced by them. Therefore, considered separately, roles identified in the budget execution process are stable and functional. But, when seen in terms of their interactions and mutual expectations, roles tend to become "fuzzy," displaying varying degrees of ambiguity that are embedded in their dynamics.
CHAPTER IX: ACCOUNTS ON PROCEDURAL ROUTINES IN
THE BUDGET EXECUTION PROCESS

Procedural routines or standard operating procedures stand as the rock-bottom of rational organizational action. They provide stability, continuity, and hence the operational meaning to the myriad of daily budget actions. The budget forms document information on expenditure commitments, actual disbursements against the anticipated expenditures and appropriations. The forms used for bill payments, purchase orders, and travel vouchers are considered to encompass the bulk of information processing activity in budget execution. The most important routines are the monthly report, the quarterly review, the general ledger, and the authorization of transfers. These routines are in place to monitor expenditure patterns and bring necessary adjustments to the spending plan.

In the context of personnel techniques, Wallace Sayre observed the "Triumph of Techniques over Purpose." In the context of budget execution, his observation can be rephrased in a the form of a question: During the execution phase, in what manner do the procedural routines affect the budgetary process and its outcome? Addressing this question through the accounts of the budget officials constitutes the central thrust of this chapter. In short, the answer depicts the following picture. Procedures are embedded and formalized in the budget and accounting forms and reports, which render
stability to the execution process. This is obviously nothing unexpected. But the stability is mostly symbolic, and the procedural routines help to crystalize it. Behaviorally, procedural routines are the instruments of role performance. Therefore, with the variations in role construction and role interaction, procedural routines also take on multiple meanings. This in turn helps create managerial flexibility and agency norms that have the force of rules. This conception of routines thus constitute another unintended source of ambiguity along with that of the roles.

Routines serve both budgeting and accounting functions, with varying emphases on each. These emphases are situational as well as systemic. This view contrasts with the conventional view, where routines are held to ensure the certainty of outcomes and the translation of rules into rational organizational action. In order to pursue this line of argument, this chapter is organized into four sections. The first section identifies the different routines followed in agency budget execution. Sections two, three, and four, present and analyze the accounts of the agency heads, budget officers, and accountants concerning their view and use of the routines. These three sections are unavoidably long. This is because they carry not only the analyses of accounts, but also the analyses of forms and reports. For the sake of convenience, I have put the original forms and reports in the appendices.
Section 1: Identification of Routines in the Budget Execution Process

Different procedural routines are found in the five agencies. Table 2 summarizes these routines as identified by the budget officials.

Table 2: Routines Followed by the Budget Officials

<table>
<thead>
<tr>
<th>Level</th>
<th>Agency Head</th>
<th>Budget Officer</th>
<th>Accounting Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal</td>
<td>Weekly meeting</td>
<td>Budget transfer</td>
<td>Monthly expenditure sheet</td>
</tr>
<tr>
<td>(Agency # 1)</td>
<td>Monthly activity report</td>
<td>Purchase orders</td>
<td>Form and data processing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Monthly financial report</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quarterly review</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transfer forms</td>
<td></td>
</tr>
<tr>
<td>County</td>
<td>Monthly financial report</td>
<td>Monthly meeting</td>
<td>Ledger maintenance</td>
</tr>
<tr>
<td>(Agency # 2)</td>
<td></td>
<td>Quarterly review</td>
<td>Transfer forms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transfer forms</td>
<td>Purchase order</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Vouchers</td>
</tr>
<tr>
<td>State Field</td>
<td>Monthly financial report</td>
<td>Quarterly report</td>
<td>Historical data</td>
</tr>
<tr>
<td>(Agency # 3)</td>
<td></td>
<td>Quarterly adjustment</td>
<td>Computerized accounting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Daily contact with</td>
<td>Procedure manuals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>accounting manager</td>
<td>Informational communication</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Budget Transfer</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>Formal channels</td>
<td>Quarterly review</td>
<td>Monthly financial report</td>
</tr>
<tr>
<td>(Agency # 4)</td>
<td>Departmental indicators</td>
<td>Budget Transfer</td>
<td>Paying bills, vouchers, Ledger balance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Monthly report</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Spending pattern</td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>Obligation plan</td>
<td>Reprograming</td>
<td>Ledger balance</td>
</tr>
<tr>
<td>(Agency # 5)</td>
<td>Reprograming meeting</td>
<td>Monthly meeting</td>
<td>Voucher payment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Informal communication</td>
<td>Form and data processing</td>
</tr>
</tbody>
</table>

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From table 2, one can see the various routines that are utilized in the budget execution process. Generally the agency heads reported less reliance on routines than did the budget and accounting officers. While agency heads mostly use routines to get an overall sense of their agency budgets, the budget officers use routines to gain operational control and flexibility for their activities. The whole of the accounting process is considered a routine. It is only in the functioning of budget officers that routines are used as strategic tools. Therefore, the meaning and use of routines emerge as a function of one's role in the execution process. Also the accounting officers who find themselves acting as budget officers view procedural routines differently from their more traditional counterparts.

Section 2: Procedural Routines Identified by the Agency Heads

The agency heads rely more on periodic appraisals from their budget officer and on presiding over periodic reviews where adjustments are discussed and formally approved. They tend to see the budget documents in more summative and interpretative terms. Through the procedural routines, they seek the coordination and reconciliation of the budget. Therefore, they rely more on short activity reports than on
financial reports. For instance, the Town Manager indicated:

There are times every quarter where every department head individually will sit down with me. They will close the door and spend about two hours going over their work programs and their basic objectives and assessing where we are. That's what we call the quarterly appraisal review.... I make it very clear to the folks who work with me that if you can't say [what needs to be said] in one page or on the front or back of a page, then you haven't distilled the information enough for me to provide me with the impact of things, and I try to do the same with the council.

The monthly activity report, on which the Town Manager routinely relies for critical information, has no uniform format. Different departments use different reporting styles. Most of the reports are short narrative statements documenting the projects undertaken or accomplished, with a few reporting in quantitative figures. The interesting point about these reports is that the statements or figures are not given against any planned targets broken down by the appropriation. Therefore, to what extent policies are being accomplished through the execution process becomes a discretionary judgement on the part of the agency head.

Different formats are used for the monthly report (Appendix 3A). For instance, the Economic Development department reports its activities to the agency head in a narrative form. There is no mention of its budgetary activity or budget accomplishments. In contrast, the Fire department utilizes a quantitative format in its activity report. The
report shows the actual expenditure incurred against the total budgeted amount. There is no breakdown of the amount by month; yet in the accounting ledger the allotment is shown by month. Also, the requirement is to furnish explanation for the Fire department's activities on the whole. No jurisdictional or individual activities are reported. The Planning department uses a mixed format, showing narratives of individual activity and the aggregate monthly activity against the total budgeted and the total remaining amount. Again, the department does not show the expenditures on individual activity or the amounts stipulated for the month to assess its monthly budgetary performance.

Therefore, whatever the format, no clear connections are shown between the activities reported and the status of the spending plan, as well as the adjustments brought to it. Lacking such information, one cannot be univocal as to the nature of control exercised through the monthly activity report. Yet rational control requires that expenditures not only correlate with spending plans but in doing so attain policy targets set in the appropriation process. In the budget formulation process, forms have been devised to detail both the spending plans and their linkage with the appropriation targets. Three of the forms that are routinely used to generate and process information for the spending plans and the adjustments brought to them are shown in Appendix 3B.
Form 3 registers a detailed description of expenditures by their account code, fund source, departmental source, unit cost and total cost. This format provides a unit cost description of expenditures. The purpose is to develop an information base for the measurement of cost-efficiency. There is, however, no column showing the purpose of the expenditure activity, expected amount of accomplishment, or any explanation as to why it is required. One might assume that such matters are generally understood by line officials. But forms are devised in order to render a predictable guide to activities rather than rely upon general understanding. Therefore, what is documented through the form furnishes more information on cost reductions than on policy accomplishments. Therefore, while the manifest purpose of these forms is to assist expenditure planning, their latent function is to control budget decisions. In other words, forms simultaneously reveal and hide information. If we compare Form 3 with Forms 7 and 8, one can see that the appropriation requests prioritized for addition or deletion do not carry any information as to their contribution to policy goals. For instance, the item descriptions do not tell how they allow or have led to the achievement of goals mentioned in the "Impact on the Level of Service" statement. Both kinds of information -- one quantitative and the other narrative -- remain separate when the purpose is to
link them so as to convey a unified meaning. Therefore, the two forms are an overlay of a planning format on a control format. As a result, whether budget execution is to operate in a planning mode or a control mode does not become clear from the information maintained in the forms.

Another procedural routine -- the quarterly review process -- is based upon the quarterly report. The format of the report is shown in Appendix 3C. The quarterly review form documents two essential types of information -- one serving the operational control purpose, the other serving the planning of future expenditures. For instance, the "Remaining Balance" category serves the latter purpose, while the "Percent Current Year and Variance" category serves the former. In the quarterly review form, no variance estimates are given on the "Quarterly Expenditure Targets" against the actual spending. Also no explanations are given for the variance. This makes the report incomplete as an instrument of rational control. Without the explanation of total variance and variance between planned and actual expenditures, the controlling effect of such review is focused on the budget ceiling rather than on program targets. Thus no clear connection can be established between specific appropriation and actual expenditure.

The County Administrator describes his review routine as a selective process. He notes, that:
With my own top management I have periodic updates on various projects during the year, and in some cases with major projects we have written quarterly reports.... I have monthly reports that show me whether or not there is an over-expenditure.

Thus the agency head reports that periodic updates are conducted on "various" but not on all -- projects and that written quarterly reports are maintained on "major projects." The purpose of such review is to control "over-expenditure," and thus by default, not necessarily the facilitation of program operation. The written quarterly report shows for different activities the total cash expenditures, total encumbrances, and the total unencumbered balance for the quarter (Appendix 3D). From such information, which is routinely processed, one can get a picture of the expenditure status of the line-items against the budget appropriations, but no program level information can be discerned from the format. Yet, the County Administrator mentions during the interview that he looks at the program and not the at line-items. If control over program expenditure is the focus, then it is exercised through means other than or in addition to the quarterly report.

The Comptroller of the Federal Agency utilizes a different type of routines for budget direction. This involves the daily review of a programming report called the "system 2000" report (Appendix 3E) and convening "Resource Advisory Board" meetings to deal with major reprogramming
decisions as well as to resolve issues not settled at the more regular "Budget Review Group" meetings.

The information in this report is broken down into line-items, cost centers, and fund sites in order to identify the availability of money for proposed changes in a particular account. The Comptroller notes that:

We keep this internally. **For the headquarters, we summarize it maybe to the three digit level**, like instead of giving all these details, just let them know what the total program was, **but the detail we don't give them**. Each budget analyst keeps this program current. Just the numbers are changing. They put in what the shortfall is, and then the accounting report of course shows you the corresponding number and what has been spent against that.

The rationality of this routine stems from its capacity to relate the expenditures to the obligation plan. But again, no such connections are maintained in practice. This does not mean that such connections do not exist. Such connections are established not necessarily through the procedural routines, but in the ability of the budgeteers to justify the actual expenditures. The system 2000 report serves as the routine base to arrive at such justification.

In the review of the system 2000 report, the Comptroller depends on the budget analysts to look or inquire into any particular item. A more direct involvement and supervision of the Comptroller occur with contractual activity, which by itself involves another procedural routine. The
process is described as follows:

A lot of our contractual activity unfortunately is done later in the fiscal year. Because it is such a long process, we call it a pipeline, because, by the time you have defined your requirements, get the specifications, and get it to the headquarters, and they have to advertise it in the "Commerce and Business Daily" for 120 days....By the time you go through the whole process, you are pretty late in the fiscal year already. And what happens is, when we receive some of this money late in the year, the headquarters comes up with new requirements, and that wipes out the whole pipeline, and we [have] got to start all over. So when everything occurs late in the fiscal year, that puts a burden on me, on our acquisition people and our contracting people. Because, everything has to be done then, and we are nervous that we are not going to get all the money spent and in the right places, and it's sort of a vicious cycle, and then you start the next year all over again. Sometimes the headquarters comes back and says: "Why are you deviating from your obligation plan?" Well, we don't have all of our money yet.

One can read in this account that managing the process is a routine activity that has emerged not from any conscious deliberation, nor is it fully documented. Rather it emerges in response to situations. Thus a major part of the Comptroller's function is devoted to managing the process instead of going all out to meet the policy goals.

Therefore, it can be argued that, although agency heads claim that their focus to lies on the big picture or attaining policy targets, the routines that they follow show them to be more involved in managing the process than sustaining policy direction. What is interesting to note is that none mentioned giving directives or writing memos as part of the
routines followed. This is in contrast to the highly documented and directed routines that are followed in the budget formulation process. The pattern of communication in the execution process appears to be more informal and consultative. Finally, procedural routines are followed to create and justify interpretive judgements as to where the agency stands in terms of its spending priority and operational continuity.

Summary of Observations on the Agency Heads' Accounts

[1] The usefulness of procedures for the agency heads' lies in creating policy direction and achieving program goals. In actual practice, in order to remain within the appropriation ceilings, their use of procedures tends to focus more on the reconciliation of expenditures. For instance, in the monthly and quarterly reports that the agency heads rely upon, expenditure information is arrayed to show the status of the year-to-date spending and the remaining balance -- both in the aggregate amounts. On the other hand, in the accounting ledgers (weekly, monthly, and quarterly) such information is kept to show the status of expenditures within each fund group and account code. Given these two formats, one cannot easily and clearly arrive
at a single meaning of the status of expenditures. This is because the meaning of "status" varies by the format chosen or emphasized, as well as on the combined use of the two formats, in making judgements. From this perspective, monitoring the status of spending tends to take over the function of providing policy direction.

[2] The logic of the budget cycle makes appropriations the spending plan for agency budget execution. Yet the dynamics of the budget request process are not based on any formal feedback from the operation of the spending plans. Therefore, for the agency heads, treating appropriation as a spending plan is more a matter of a formal statement than an operational reality.

[3] Different procedural routines are in place in order to exercise rational control and provide information support for policy direction. In practice, the different procedural routines serve multiple organizational goals. For instance, rather than focusing on relating program expenditures to program accomplishments, expenditure information maintained in the forms generate cost control and ceiling control functions. The forms also do not capture any information on the reason for variances. Obligation plans are used to document compliance, even when agency heads' know that the allotments would undergo internal changes.
Therefore, while procedural routines are installed to establish and show, on a regular basis, the connection between the spending plan, program activities, and adjustments affected in the budget, no such connections can be equivocally derived from their use.

Section 3: Procedural Routines Identified by the Budget Officers

At the budget officers' level, the procedural routines followed are somewhat different from the ones at the agency heads' level. The general focus here is on budget management, which involves the expenditure adjustment and expenditure monitoring activities. Budget transfers appear to be the most critical routine in budget management. In this process the routine procedures observed are both formal and informal: formal in the sense of documenting all changes after they are made, and informal, in the sense of either initiating the request for transfers or negotiating acceptable explanations for the transfer requests. This informal process is also routinized and is based upon the agency norms. The Municipal Finance Director in charge of both the budgeting and accounting function sees the routines to be fairly automatic. She states that:
Budget transfer is something that is fairly routine. **There is nothing complicated about it.** I mean the amount changes and the accounts change. The transaction is very simple.

The format of the budget transfer form that documents the budget adjustment routine is shown in Appendix 4A. Two important types of information are called for in the form. The first is the accounting information, that seek to control administrative operations; the second is the explanation of the need for transfers. The explanation is not sought against each account but kept in a separate information category. Thus two different types of explanation are established through the form. One is accounting, and the other which is managerial, with no explicit and detailed connection established between the two. Furthermore, no provision is made to register the reason for approval or denial of the transfer. Such information is important in order to register the reasons for the transfer as agreed by both the initiating unit and the authorizing unit. Therefore, budget forms not only carry different interpretive formats, but their very design is selective of the information gathered and processed. Because forms constitute the information base of agency operation, routines themselves function as interpretive devices in framing the meaning of the process. Here, the transfer form carries a dual meaning, but with emphasis on the accounting side of budget
execution over the management side.

The other routines that the Finance Director mentions involve the authorization and monitoring of purchase orders, travel vouchers, and checking the validity of the account numbers against which expenditures are made. She notes:

Well, it's entered into the computer system, and then I get the printout, and if it is an invalid account number, then a little message will come out that says, "check, account does not exist" or whatever. Then I go through this, and I look at what the account numbers are. If they are buying office supplies and charging it to salary account, that's not correct. It gets rejected and goes back to purchasing. Purchasing sends it back to the initiating department and says, "you have an invalid account number, please change" -- or "advise" or whatever.

Although she mentions the transfer process as a fairly automatic and simple process, at the same time, she mentions the very frequency of its occurrence and the lack of clear procedures for controlling it. In her words:

There is one thing that I am going to institute, which is quarterly budget transfers and only quarterly budget transfers. Right now, it's sort of a transfer whenever you want, and sometimes we get reams of them and sometimes we get none.

The monthly financial report titled -- the "monthly expenditure transaction list" -- that registers all changes and transactions is shown in Appendix 4B. The report shows actual expenditures, encumbrances, budget adjustments, and the unencumbered balance against their dates of occurrence,
account numbers, and the destination of the expenditures. Two important types of information are absent from it. One is the portion of original appropriation allotted for that month, and the second is the department or program in which the expenditure has originated. In the absence of these two pieces of information, there is no documentary basis to establish linkage between the spending plan, actual expenditure, and goal accomplishment.

The report thus routinizes a particular interpretive format to ascertain the status of expenditures. Although the idea of a monthly financial report is to supplement the monthly activity report and facilitate program accomplishment, in reality they are two separate information processing functions -- each geared more toward compliance and control. In fact, that is what the Finance Director does with the report; she points out the aberrations in expenditure pattern to the Town Manager. The purpose is to bring the total budget into compliance with the appropriation. Therefore, running a successful budget operation in itself becomes the operational goal of budget officers, which in turn affects the agency heads. This is because for most of the time the agency heads are dependent on the expertise and judgement of their budget officer.

The budget execution routine identified by the County Finance Director is based upon the generation and interpre-
tation of the monthly financial report, which is also the general accounting ledger. She states that the reports show:

The unobligated funds, and the general funds in revenues and expenditure, and through this one can also see the transfers of the general fund to the other funds, and so you can catch any deviations.

The format of the report shown in Appendix 4C depicts the budgeted amount, the expenditure incurred up to that time, the encumbrance, and the remaining balance against each line-item account. What is not depicted are the proposed spending plans against which expenditure for that month are recorded. Also, in the budget column, no addition or deletion to appropriation is included. This is important to clearly know the source and timing of the budget transfers.

In contrast with the municipal monthly report, there is no category showing the adjustments brought to the budget. Therefore, the focus of the report is on aggregate spending against the initial appropriation. The interpretive scope of the report thus serves both management and accounting compliance functions. The remaining balance category facilitates management operation, with the rest facilitating compliance to affect the year-end balance.

The Finance Director also identifies the reviewing and authorizing of purchase orders as another of her routine activities. She also views the process as a fairly automatic one. For instance, she mentions that: 276
We will go through an overall monitoring of the whole ledger. We have an edit that prints out in the front the percentages of the budget, breakdown of the personnel, operating, and capital in each department so that we can go through each and see if somebody is way over their percentage, what's going on there, maybe catch something before it goes too far out of hand. For example, if one tries to input a purchase order that one doesn't have funds for, it will kick that out and not let you put it. So you cannot make an expenditure if you don't have the money appropriated for it. When anything kicks out, we contact the department and see where they want to transfer the money from so that they can make that expenditure.

The information contained in the report is not considered to be self explanatory. There is room for interpretation, as the Finance Director remarks:

Well, the departments will call in a lot of times. They don't always understand how to read their printouts or how to move things around. So they will call in with their queries and problems, and then we help them with that.

Given that procedural routines are not self executing and require interpretive judgements, such judgements are expected to become more pronounced when decision on transfers are activated. This is because transfers are made when department budgets are faced with programmatic difficulty or budget uncertainty. Therefore, the nature of information processed in the transfer forms give some indications as to the controlling effects of the transfer routine, which follows certain institutionalized rules. The Finance Director cites such rules in the following account:

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A department can transfer money within their own budget up to any amount. Between departments requires higher level of approval. The County Administrator can transfer up to $10,000 out of the unappropriated balance. If it's over $10,000, then the board has to approve it.... They [departments] start out and end up here. Whenever they are in need of money, they always give cues. Informally they call you up, run you in the hall and tell you, "we are running out of money. What do we do." We try to get them funded within what they already have in their department.

Transfers are made through a budget transfer form shown in Appendix 4D. The form shows the nature of a transfer (increase or decrease) for individual account and in the aggregate. Here too, as in the previous form (Appendix 4A), the reason for the transfer is given as a general explanation separate from the explanation of the accounts that are actually involved in the transfer. In this form, there is one entry that captures the recommendation of the budget officer, but with no requirements to provide explanation for the recommendation made. In the County budget process, the nature of the information sought and processed in the forms reflects a managerial emphasis rather than an accounting one. A managerial emphasis that focuses more on operational rather than policy control. Therefore, in the event policy goals do get accomplished, then this success cannot be necessarily attributed to the effectiveness of the routines. But the purpose of procedural routines lies exactly in supplying the necessary conditions for such an outcome.
The transfer forms only document the requests made to the County Administrator. But the Board may grant a transfer for any contingency or shift in the priority (Since this takes us beyond the scope of agency budget execution, it will not be elaborated upon.)

The Assistant Director of the State Field Agency (Agency #3) identifies the monthly, quarterly and annual report and the filing of Form 27 as the procedural routines. The annual report follows a program format, the quarterly follows a cost center format, and the monthly follows a line-item format. The Assistant Director notes that, among these, he mostly relies on the monthly report to monitor the execution process. In his words:

Every department head on a monthly basis gets a report. It will show them the object of expenditure, where the budget stands month-to-date and year-to-date, the encumbrance showing how much they have outstanding, and add these together. I expect and the department heads know it, that I will go through the details with them.... They know this meeting is going to be once a month. They know exactly what I am going to talk about. They have access to this information prior to the meeting, and over time they have learned what questions I will ask. So they are in there prepared.

The monthly report shown in Appendix 4E is formatted to show the cumulative effect of expenditures and the available balance remaining. What remains absent is a category showing budget transfers. This is because such transfers are reviewed and captured in the quarterly reports. Appendix 4F
shows the format of the quarterly report.

In the quarterly report, which is different from the monthly one, transfers are shown to be justified in terms of the spending plan. The spending plan is the 1/12th allotments aggregated for individual accounts. Here, more detailed information regarding transfers is documented, but no explanation as to the approval or denial of the transfers is shown. The only explanation carried in the form is the compliance with the spending plan. It needs to be pointed out that expenditures are reported in percentages and not in their dollar amounts. This makes this report serve management control purposes more than accounting control.

The transfers that are reviewed in this report are documented in their dollar amount in Form 27, shown in Appendix 4G. The form details the reason for the transfer (Item #4), the amount of adjustment, and the balance remaining-- in terms of the fund type, program, sub-program, and sub-object expenditure. Form 27 does not seek any narrative explanation for the transfer. Such narrative is generally provided in an accompanying memo. This allows the Central Budget Office to exercise uniform control in the execution of the budget and facilitates the budget balancing process in the aggregate amount.

The Assistant Director holds the following view on the budget transfer process, using Form 27.
Richmond doesn't care as long as I stay within sub-program amount. But if I take some money out of one cost center subprogram and transfer to another subprogram of another cost center, I must fill out the Form-27, because I have crossed sub-programs. But if I take money and put it into another cost center within my sub-program, I just do it on my budget ledger here... When I do an operational change on Form 27, I have a standard paragraph that I write down. *When I do the budget, we have a thing called the six year comprehensive plan.* Here is our mission statement. It says what are we going to do, what are our objectives for the year. Then you go beyond these things and go into how much staff I need and how much money I need. Now that's all I write.

In this account, the interesting point is the nature of the information provided in the explanation. The budget officer reports that requests for transfers are made by citing departmental targets set in the six-year plan; yet, in his earlier accounts of the execution process, the plan is not mentioned as an operational guide for expenditure decision-making. Thus the comprehensive plan appears to serve as a legitimizing symbol for requesting the transfers, which is prompted by the operational needs of the execution process itself rather than the logic of the comprehensive plan.

The Budget Director of the State Agency (Agency #4), identifies the quarterly review and Form 27 as the basic routines involved in the budget transfer process. He mentions the general rules of the transfer process, stating that: *"as long as they don't go above their bottom line, then we will go along with them."* He elaborates on the
execution routine in the following terms:

The budget is given to the fiscal division. The fiscal division enters it on our internal system, which has a cross-walk to the CAR (Commonwealth of Virginia Accounting Report) system. So that's how we get the reports. We essentially look at two or three reports that show where we are at the level we are operating, both state-wide as well as organization-wide. They also go out to the organizations on a monthly basis, and then we have them on a quarterly basis.

The intra-agency transfers are recorded in the Quarterly Budget Report shown in Appendix 4H. The form shows the expenditure in dollar and percentage figures against the budgeted amount. It then shows the requested amount for adjustment, its source, its destination, and the explanation for the transfer. Then it is followed by a recommendation with no category documenting the reason for it. The interesting thing to note here is the category showing "any previous quarterly adjustments" and the amount.

With this document the Budget Director ensures the rule of consistency in the execution process. He narrates saying:

In execution you look for patterns, patterns of expenditure, averages. Well generally, I have an idea of what to expect, and that's why you look at the average. For example, if after the first month you have spent 25%, and the average is only 8%, then you know that either it was a one time expenditure that caused the jump up, or you had a contract payout that took out a large part of your budget.
Therefore, the routines identified by the Budget Director are based more on the managerial use of information than the use for accounting. The object is not so much to control but to document things to affect periodic adjustments to the budget. But officially, the formal specifications in the quarterly report are very specific as to the occasion and reason for transfer decisions. For instance, two such specifications are listed below (Department of Transportation, VA, 1988, pp. 2-3):

(1) The process assumes that operating expenses occur uniformly throughout the year and that 25% of the amount budgeted within each object code will be expended in each quarter. As such, the monthly budget reports for September (1st Quarter), December (2nd Quarter), March (3rd Quarter) should reflect total expenditures per object code equivalent to 25, 50, and 75 percent of the amounts budgeted. Conversely, the "Percent Remaining" column should indicate fund balances of 75% for the 1st quarter, 50% for the 2nd quarter, and 25% for the third quarter.

(2) Each organizational unit must review the appropriate monthly budget report to determine the quarterly status of expenditures and balances at the object code level and submit the report form to the Budget Division accordingly. . .Variances should be defined and explained at the appropriate major object code level. Requests for budget adjustments or transfers should be included as well.

(3) All approved adjustments will be implemented following the 2nd and 3rd quarterly review and reporting periods. After the 3rd quarter, all budgets will be considered final and no further adjustments or transfers will be considered.

The focus on monitoring again is on the "bottom line": the year-end balancing of the expenditures with the appropria-
tions. In his narrative, the Budget Director did not mention the procedural routines that were followed to monitor the achievement of policy goals or targets, against the expendi
ditures made or the adjustments effected.

The budget officer of the Federal Agency (Agency #5) considers 75% of the execution process to be routine activ-
ity. He identified the system 2000 programming report, the reprogramming, the monthly budget review group meetings, and computerized accounting as the procedural routines that were followed in the execution process. He views the functioning of the routines as "a matter of tracking expenditures." But such a tracking process is not a self-executing activity. For instance he mentions that, "if you make a small error, it becomes magnified."

But despite the occasional mishaps, he considers the routine procedures as facilitative for budget execution:

I think most procedures are pretty well balanced. They lend themselves to the spectrum of things that we administer here. They don't lead to unnec-
essary conflicts and are not excessively restric-
tive. They provide enough leeway for judgement that enter into the process.

Again periodic reports and forms constitute the information-
al base for the routines. He mentions that:

Forms set for us the basic information. We make up the forms, we get background information, and then departments fill out the forms.
The forms that are used for reprogramming -- shown in Appendix 4I -- utilize a different format than the one's considered before. The allocation/allotment form documents the previous net amount, the increase/decrease affected, and the revised net amount, with limitations of its use and the general remarks for the change. Through this form one can track expenditures on a continuing basis. But lacking clear information on the original appropriation amount, one cannot monitor the expenditures on a comparative basis. The format of this form thus shows a more particularized documentation than a cumulative one. Again no provision is made to provide explanation for the decisions made on the changes.

In contrast, the Fund Cite authorization form shown in Appendix 4J, captures a different sort of information on the adjustment process. The form is used to state the purpose for receiving the authorization in order to obligate expenditures. It documents the commitment, obligation, and available balance for individual accounts. If an obligation is previously recorded as a commitment, then in this form it is documented as an obligation, which again becomes a commitment in the next issuance of the form. The remarks category captures summary explanation for individual transactions made, but no information is provided showing the reason for the authorization. This form thus functions to show the continuous adjustments made in the expenditures. But in
doing so, it does not function as a accounting document. For instance, it does not show the cash or accrual basis of the obligation, nor does it document the adjustment in terms of the assets and the liabilities. Therefore, this form primarily serves to justify control, which mostly occurs after and not before transfer decisions are taken. Neither the comptroller nor the budget officer mentioned the use of the form in his or her routine activity or provided me with any idea of its operational significance.

Summary of Observations on the Budget Officers' Accounts

[1] Budget officers tends to consider procedural routines as a means to create flexibility in their budget management functions. Ambiguity in procedural routines emerges from the view that such routines are automatic, while at the same, they to allow discretion. Furthermore, while routines are viewed as control instruments, at the same time, they are acknowledged to be lacking in bringing such control.

[2] On another level, while accounting procedures are based upon discrete information, budget management procedures are based more upon aggregate information (for example, information on total transfers rather than transfers
between or among the individual account codes). This creates the opportunity where accounting data can be overridden (when necessary), by relying on the budget data, or vice-versa. Which type of information will be used depends upon whether flexibility or control is sought at a particular instance and whether the roles of budgeting or accounting is dominant in the administrative sub-culture of the agency.

[3] In addition to the above, both formal (documentary) and informal (behavioral) procedures are used by the budget officers in order to effect budget adjustment. While formal procedures tend to be used to document the changes that were already made, the informal procedures are used to initiate such changes. Seen from the accounting standpoint, this seems to weaken the controlling effect of the procedures, while seen from the budgeting standpoint, this allows for the needed flexibility in the execution process.

[4] Finally, in theory, accounting and budgeting information is supposed to converge in order to generate a single source of justification for budget adjustment. But formally they remain separate. While accounting procedures provide information for financial control, budgeting procedures provide information to justify program operation. The two procedures thus allow sepa-
rate justifications for budget management, particularly in transfer decisions. Although they remain formally separate, informally they come together through the interaction and persuasion between the budget and accounting officers.

Therefore, in practice, procedural routines function as interpretive devices in budget management, while at the same time fostering uniform control in the process.

Section 4: Procedural Routines Identified by the Accounting Officers

The procedural routines in budget accounting are similar in nature. The reason outcomes of routine operations differ is not because of the routines but for the roles that accounting officers bring to bear on the routines.

The Accounting Supervisor of the Municipality (Agency #1) identifies her routine as the maintenance of the general accounting ledger, processing of the monthly revenue and expenditure sheets, verification and submission of journal entries, processing of vouchers, and carrying out the directives of the Finance Director. She considers the information processed as adequate. For instance, she notes:

With my limited experience and knowledge I think I get all the information I need to have. For anything that I need to go back and check,
if the accounts payable clerk or somebody like that doesn't have it here in this office, usually the departments have it and they are really very cooperative to give it to me.

In terms of describing her activity, she says:

The first thing I look at is the account codes, because this is what that can mess up the system. We did have one case where some revenues were coming in on a continuous basis and they were putting them into expenditure accounts to lessen the amount of expenditures, instead of putting them into revenue account. So we had to correct that. That's basically what I have been doing so far, making sure that the accounts balance, making sure that they are not overspent, and revenues are revenues and expenditures are expenditures.

But the monitoring activity is not simply record checking, it also involves informal interactions. For instance, she notes:

The Finance Director is on the budget committee, and she would come back and say, well, the Town Manager says such and such department head is going to try to pull this request through. We don't want to do it. You got to be on the look out. She would come out and tell me things I should be looking for.

The document which forms the basis of her monitoring activity is the monthly financial report (Appendix 4k). This report is the basis of the accounting officer's processing of transfer requests. For instance, she notes:

In the transfer request form, they have to put down which budget code they are going to take the money out of, which one they are going to put into and the reason for doing that, and that comes to me for preliminary review or to the Finance Director if I am not here, and then it goes to the Town Manager for his final review, and then it comes back to me to actually do it. When I check
it I check it to make sure that there are funds in there which they can take from, and also that the reasoning is valid [accurate], and that the fund that they are putting it into is a valid fund.

I was surprised by her not mentioning the accounting ledger (Appendix 4L), which shows the debits and credits against every account code. In fact, in her monitoring activity, she did not mention how the ledger figures into her interpretation of the expenditure status as well as the feedback of that information to the Finance Director.

The accounting officer of the State Field Agency (Agency #3) identifies the computerized accounting system and the reports that are generated from it as routine activity. The traditional accounting function constitutes the review of the expenditure report (Appendix 4M). He remarks that:

I can come in the terminal and take a look at what was there in the last year, by month, by the sub-object code of expenditure. Well, the information is there. You have got historical data that you can go ahead with, for instance, taking a look seasonally [at] "what's happening to our electric bills? if it did vary, [then] why did it vary?"

The maintenance of the accounting ledger (Appendix 4N), is subordinated to the accounting staff. The Accounting Manager also regularly attends to the monthly summary report (Appendix 4O), and the cash projection report (Appendix 4P) to monitor the execution of the budget. The expenditure report presents information on the daily balance of allotments from the appropriation shown for individual accounts. This is
more of a compliance report to keep track of the budget rather than to provide guidance to execution. The Accounting Manager relies more on the other two reports (Appendix 40 & 4P) to form judgments on expenditure status. He notes that:

In these two sheets I have got the total agency, and I can go ahead and kind of look at the trends or just see what's happening generally. And then, if I want specific information, well, I can either go to my terminal here, and depending on what it is I am trying to deal with, I can either go in here and do it, or I will get some staff, and tell them, "Ok, how about taking a look."

The monthly report (Appendix 40) documents aggregate information and explanation on variances, while the cash flow report (Appendix 4P) documents the agency's capacity to disburse available funds in the aggregate. This focus on the aggregate rather than the particular makes the routine functions of the Accounting Manager less of the traditional kind. In this context, he seems to be functioning as a budget officer. For instance, he states that "the department of accounts has done a good job in the guidance of things. He did not show any passion for the manuals. He notes that:

I have got about 3 to 4 pages long pamphlet that I go ahead and pull out. It really comes from the DPB manual. Now, if you understand these few pages here and if you get the concepts down, then things will go smoothly.

The Accounting Manager also sees consultation with the Assistant Director as an informal routine that has emerged from the agency sub-culture and considers it more signifi-
cant than any formal requirements. He describes it as fol-

We are in constant interaction with each other. I may in conversation, bring up an issue by saying -- "Hey, have you seen what's happening with our telephone?" Or "We have a problem here, can you go ahead and take a look at that?" It's almost con-

stant on a day-to-day basis. I will talk over the phone, or drop in his office, or he may come up here.... I may be talking with, or have contact with central office personnel that he may not have contact with, or I may just call up there and inquire, "Hey, what's going on?" Not because he has asked me to initiate something, but something that I feel he needs to be aware of.

The Fiscal Manager of the State Agency (Agency #4) identifies the procedural routines as constituting the pay-
ment of bills, payroll accounting, booking budget entries, reviewing the general ledger, trial balance of the general ledger, and the reconciliation of all accounts in the agen-

ency's financial system with the state's accounting system.

The format of the two accounting systems is shown in Appendix 4Q and Appendix 4R. The state accounting system is considered the general budget ledger, which is updated week-
ly showing the quarterly allotments, the unallotted amounts, and the encumbered and unencumbered appropriations against current appropriations for agency, programs and fund codes (Appendix 4Q). In contrast, the agency's accounting system is considered to be following the conventional accounting ledger -- showing the debits, credits, and fund balance of each individual transaction (Appendix 4R).
These two reports process and present two different sorts of information. The budget ledger facilitates budget compliance through fund control, while the general ledger facilitates financial balance through accounting control. Although, the Finance Director regularly reconciles these two ledgers, he did not give me any understanding as to why it is managerially significant, other than being a legal requirement. In fact his reconciliation activity amounts to simply going through the motions rather than utilizing the action to facilitate the execution of the budget and realizing the policy goals. From this it follows that the nature of interpretation that goes into the reconciliation process is mostly structured by accounting conventions and directives.

The ritualistic observance of the routines is manifested in the Fiscal Manager's view of the budget adjustment process. He views the involvement of accounting as follows:

Most of the routine one's occur through changes in the budget.... You know, you may have the budget approved for the whole program, but you are not ready to start the project until six months later. Well, then they will bring the allocation down at that point. Those are mostly the changes I do, well, not a lot of changes. There is a change form that would come from the program and scheduling department. What happens [is], once that's approved by program and scheduling we book the entry. Now, I don't have to change the comptroller's accounting system, because the comptroller doesn't budget it by projects, he only budgets by program, whereas we budget by individual projects within the programs.
The change or adjustment process that is described is one that basically encodes the decisions that have already been taken in the field or in the budget office. There is no decoding involved in making those adjustments. Therefore, the involvement of the Fiscal Manager is not in operational management or its monitoring, but in the routine function of documenting changes in the accounting format. Therefore, the Fiscal Manager holds a conception of change that has significance only in terms of his accounting activity, independent of the significance of the changes in budget execution.

The interpretative frame which guides the accounting function is built from the forms. The Fiscal Manager reports:

Every document that you see here was a result of a form. So from an accounting perspective, that's my source of documentation....[Again] the reports that we have capture all this data into forms that managers can use. Folks are pretty much accustomed to the forms, so they know how to read it, and there is not a lot of interpretations required from my end.... Once the data is taken off the forms it's normally filed away. I don't refer to them unless there is an audit or some question as to why this entry was recorded [the way it was].

The Accounting Supervisor of the Federal Agency (Agency #5) did not give me much information on his routine activities or elaborate upon those that he did mention (in fact, he declined to tape record the interview). The routines identified are: voucher verification, payment of bills, payroll,
checking account codes, balancing obligation with commitments, reviewing the general ledger, and verifying the availability of funds in an approved program category. Basically, it is the format of the ledger that dictates the expenditure recording and monitoring activity.

**Summary of Observations on the Accounting Officers' Accounts**

[1] Accounting officers tend to focus attention on documenting and affecting fund balance. But their conception and use of procedural routines vary in terms of their construction of roles. While a formal control orientation is maintained on the meaning of routines, informal interactions are also conceived of as routines.

[2] Despite their professional expertise most of the accounting officers did not refer to the formal accounting concepts in their descriptions of the execution process, (e.g., debit, credit, asset, liability). Yet, skills in their interpretation constitutes the core of accounting expertise. It appears that accounting officers are co-opted to the agency culture rather than maintaining a detached professional role.
[3] The reconciliation of the accounting ledgers and the ledgers with budget reports (having different formats and time frames) does not lend to a single cumulative documentation of the execution process. As a result, reconciliation becomes an interpretive process where the accounting and budget officers confer to reconcile the figures and balance the budget. Therefore, accounting procedures can and do lend different interpretations to the execution process. This also contributes in the creation and retention of ambiguity.

General Observations on Procedural Routines

From the accounts of the budget officials some general observations on the creation and retention of ambiguity in the operation of procedural routines can be summarized. Routines are not habitual rituals that are unconsciously followed, nor are they strategic tools geared to attain policy objectives. Their functional status lies in rendering stability and consistency to the meaning of repetitive operations in the budget execution process.

Different procedural routines are in place in the budget execution process. The information requirements and their presentations in the reports and transfer forms, although similar in nature across the agencies, nevertheless
vary in certain respect. A few transfer forms require a general narrative explanation, but in general they do not show or require any explanation in terms of the account codes or fund groups -- which would show the basis of the transfer in discrete terms. Although there is a category to register comments/recommendations by the authorizing official, there is no requirement to provide the reasons for approval or denial of the transfer requests. Lacking such information, the budget forms do not reveal the value premises behind a requested transfer or why it was approved. Therefore, in the absence of such information, transfer decisions remain open to interpretations. This interpretive scope thus makes it possible to justify transfer decisions on different grounds, long after they have served the need that triggered them. There are also variations in the information structure of the reports. The focuses of the reports are to simultaneously serve a dual purpose. On the one hand, they provide information on the current and comparative status of expenditures by departments, programs, funds, and account codes. On the other hand, they provide information for accrued and actual expenditures against the monthly/quarterly allotments, and original appropriation and indicate the remaining fund balance. The reports highlight the expenditure decisions and allow tracking of the aggregate expenditure in order to balance it with the original
appropriation. In bringing about such balance, supplemental appropriations, transfers, and earnings from cash management are not accounted for. The focus on the aggregate thus both serves the need for operational flexibility and satisfies the requirement of accounting control.

Therefore, budget and accounting reports do not provide a unified picture of the execution process. The monthly or quarterly activity reports are maintained separately from the monthly or quarterly and financial accounting reports. Thus any built-in link between budget transactions and work accomplished is unavailable on a routine basis.

The linkages between the two are established in terms of interpreting "successful" or "poor" accomplishments, "over" or "under" spending, or judgments of such kind. The meaning of such judgments is derived from a mix of technical knowledge of the budgeteers, the political imperatives of the situation, and the agency norms that are invoked.

It is important to point out that the dynamics of the process are such that all interpretations are based upon the same set of figures that are processed through the forms and reports. Thus procedural routines which remain clear in themselves tend to become equivocal when they become interactive. The retention of equivocality is a matter of degree and depends on the number of iterations through which discretionary judgments of the budget officials enter into
expenditure decisions.

Considering these observations one can infer that procedural routines simultaneously aid and stabilize expenditure decisions, ratify and legitimize the decisions made, and accommodate and control discretionary judgements. These simultaneities introduce equivocality in the routines of budget execution.

Therefore, from the consideration of procedural routines as rational instruments of organizational action, this chapter has shown how in their very rationality procedural routines also opens the possibility of ambiguity entering into the budget execution process.
CHAPTER X: ACCOUNTS ON THE MEANING AND APPLICATION OF AMBIGUITY IN BUDGET EXECUTION

In this study, "ambiguity" is considered an attribute of the administrative process. Despite the rational expectation of administration to be a rule-following and highly routinized set of predictable activities, this study indicates that the reality is far more complex, with ambiguity being one attribute of such complexity.

The search for ambiguity proceeded to the theoretical understanding of administrative processes, and then went to the micro-levels of the budget execution process, in order to provide some empirical anchors to such an understanding. In the four preceding chapters, I have discussed these processes by gradually moving from a general to a more concrete exposition. Using the accounts of the budget officials, I have shown that control processes, roles, and routines all create and retain equivocality and variation in their meanings and applications.

The objective of the present chapter is to reveal the interactive or combined effects of all three constructs in the creation and retention of ambiguity in the budget execution process. Therefore, I shall discuss the accounts that directly deal with the concept of ambiguity as understood by the actors themselves.
This chapter is organized into five sections. The first section introduces the definitional problem of the term. The second, third, and fourth sections offer the account analyses of the agency heads, the budget officers, and the accountants. The fifth section brings together the accounts that illustrate the types of ambiguity in the budget execution process.

Section 1: The General Difficulty of Identifying the Concept

The agency officials interviewed found it difficult to explain what they meant by ambiguity. One reason for this difficulty no doubt lies in their relative unfamiliarity with the term. It is simply not found with frequency in the administrative vocabulary. The reason is clear -- ambiguity carries negative connotations in administration and management, where certainty and predictability are viewed as premier values and ambiguity as something to be avoided or eradicated. Still within this generally negative outlook on ambiguity, there is variation, which the present chapter reveals.

In this section, I shall discuss the five basic findings of my interviews with the budget officials. These are:

(1) The term ambiguity evokes different connotations.

(2) The term has no pattern to its usage for the three categories of agency budget officials.
Everyone expressed a general difficulty in trying to cognize the concept, articulate their conceptions, and draw illustrations for them.

Given the difficulty, the conceptions that are identified address two aspects of the process: role performance and procedural routines.

Accounting officials (except one), tended to see ambiguity as dysfunctional, while agency heads and budget officials (except one) tended to be ambivalent towards it. On the one hand, they showed aversion to the term while, on the other hand, acknowledging many of its functional outcomes.

The following discussion is an elaboration of the findings.

In reference to ambiguity, the budget officials used the following terms (shown in the right hand column of Table 3) to convey their meaning of it. In effect, such terms stand for the different connotations of ambiguity. In table 3, I have listed them by their frequency of utterance.

Table 3: The Meaning of Ambiguity to the Budget Officials

<table>
<thead>
<tr>
<th>Connotation</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unclear</td>
<td>(7)</td>
</tr>
<tr>
<td>Seen from two sides</td>
<td>(4)</td>
</tr>
<tr>
<td>Conflicting</td>
<td>(3)</td>
</tr>
<tr>
<td>Confusing</td>
<td>(3)</td>
</tr>
<tr>
<td>Not well defined</td>
<td>(2)</td>
</tr>
<tr>
<td>Inconsistency</td>
<td>(1)</td>
</tr>
<tr>
<td>Vagueness</td>
<td>(1)</td>
</tr>
<tr>
<td>Disagreement</td>
<td>(1)</td>
</tr>
<tr>
<td>Farfetched</td>
<td>(1)</td>
</tr>
</tbody>
</table>

The multiplicity of connotations shown in table 3 definitely enriches the concept but, on the other hand, makes
it difficult to interpret their use in the illustrations given. Although "unclear" is the most cited connotation, for the purpose of this study, I shall utilize the connotation of "seen from two sides" or multiple interpretations in my discussion. The reason for this choice is based upon the theoretical status of the concept discussed in Chapter IV.

The connotation of being unclear carries the assumption that clarity is either suppressed or partial, or is essentially available but currently not in place. Therefore, the term only evokes the interpretive scheme of a single person and denies the interpretive schemes of interacting persons. In other words, what is unclear to one person may be clear to another. This denial of multiple interpretation is what makes "unclear" an inappropriate connotation of ambiguity.

The general difficulty encountered in responding to the question, "what do you mean by the term ambiguity?" was an initial silence, followed by hesitancy in stating the answer. For instance, a typical response was:

I can't think of the word that I want to say [pause]. Ambiguity usually means to me that it can be seen from two sides, or there are two faces to it, or it's not clear which face should be the right one. I can't think specifically of something that is ambiguous [pause]. No [pause]. I have used the term, but now I can't define what I would mean by it [long pause]. I can't think of anything. I am sure there are situations that are ambiguous with accounting, because of the estimations that are involved in it to a certain degree.
In contrast, the following account shows a more unique response which is closer to the term "dilemma" than ambiguity:

[Long pause.] Well, to me it means a conflict in that, when you are going to do something that you know you really shouldn't do, but you are going to do anyway, or, you really shouldn't do it [big laugh], or, you don't know [if] you should do it or not.

The operational meaning that officials gave to ambiguity took different expressions. One such expression is narrated by an accounting officer as follows:

I think the ambiguity in the budgeting process is that we don't know what's going to happen, and yet historically we have some trends of what has occurred.... I guess there is a lot of ambiguity in policy statements, and that's the trouble. I guess, you don't want to be too precise. You might hamper effectiveness.

From the various accounts, the picture that I have drawn is that ambiguity does occur as an unintended outcome of behavior. For instance, computational errors include the failure to remember, filling out wrong forms, and punching wrong codes. But these are rarely mentioned as affecting the execution process to any significant degree. Rather, in every such instance, care is taken to correct the mistakes and lend clarity to the action. On the other hand, the institutional nature of unintended outcome is what this study has sought to reveal. One budget officer puts it nicely saying that, "the beauty of it lies in that we all are working from the same set of numbers," but that the format of presenting and interpre-
ting them in the different reports and forms varies. Such variations are a function of different institutional roles played by the agency heads, budget officers, and accounting officers in the process. In general terms, another accounting officer sums up this institutional ambiguity in the following terms:

The intent is for it to be a rational process, but when we actually do it, it doesn't happen that way.... Somewhere along the line there is an assumption that, "Hey, you got all the resources that you need to run things." And when someone is making that assumption, and most of the time that's not fact, there is a spread there, and you are trying constantly to deal with that.... I just think the order is reversed. You know, hey, I don't care what your needs are, what you think it's going to take to run this operation, even based upon historical data that you have at hand, certain fixed costs that you have got, but we don't build from that to go ahead and build the budget. Yet that information is utilized when we start to plug these things.... Then again, you can't go ahead with the historical data, because we are not dealing with something static.

Section 2: Agency Heads' Identification of Ambiguity in the Budget Execution Process

Agency heads generally reported that their involvement is minimal in the budget execution process compared to the budget formulation process. Given that budget formulation drives the execution process, it is not unreasonable to assume that one needs to have a clear understanding of the goals to be implemented through the execution process. However, in
reality, the understanding of such goals and their translation into the execution process turn out to be far from clear. Rather it is considered a process that requires constant interpretation and adjustment. For instance, the County Administrator notes that goals may conflict but eventually they are straightened out. He states:

They [council members] may say that they want tighter regulation of new development, but then they also say that they want more development.... We settle this at the annual retreat. Then we let the departments figure out how to achieve those goals, and I work in the middle and facilitate it.

Also consider how the Commissioner of the State Agency (Agency #4) uses measures/indicators to ascertain goal attainment.

I look for convergence of a variety of measures. I think they are rather general. I don't think they are precise, they are precise in the sense that you end up with precise numbers, but you are not able to determine whether the accomplishment of that number is the best that could be accomplished given that expenditure.... My goal is to continuously reduce the amount of resources required to administer the budgeted dollars, because it indicates efficiency and productivity.

Here again we find two subtle approaches in interpreting goal accomplishments. One constitutes the convergence of a variety of measures -- one of which is the expenditures incurred, and the other being the aggregate efficiency measured in terms of general cost reductions.

Agency heads see in the formulation process the opportunity for planning, leadership, and seeing the "big picture."
They did not mention that in order for planning to be effective, it requires more effort in managing the actual spending process and that the reality of the big picture resides in the integration of many small pictures. For instance the Town Manager maintains that, "I am more interested in the results, and what we are doing, than in what we are spending." Thus, he sees no connection between what is being spent and what is meant to be achieved. He mentioned that he did not allow himself to "get overcome by the detail" that he acts as a "visionary," but that he takes a consummate interest in the details of accounting and audit reports. He feels the necessity for risk taking, but at the same time identifies the process to be conservative (i.e., risk inhibiting). For instance, he notes:

> We can sit in here and be very safe and not take any risks, and have a very clean audit, but that is not what this organization is about. What you strive for is both. You strive for audit so that you can tell people that we have financial integrity.... [yet he emphasizes that] I would say this organization is more conservative than risk taking. If you do not have financial integrity, then citizens are not going to be comfortable with you seeking to do different things. They have to have that trust.... I get very involved in the auditing process. I want that thing to be clean and be upheld in the community with praise.

In this narrative, it is interesting to note that the process is conceived of as conservative, yet at that same time it is also considered to involve risk taking. The agency head also ties conservatism with the maintenance of financial integrity,
which in turn allows him to strengthen the legitimacy of the organization. Now legitimacy here is strictly enforced through an institutional means, i.e., the external audit. Therefore, the focus on legitimacy lies more on compliance with institutional rules than on policy success -- although the latter is maintained to be the principal aim of the process.

In the County Administrator's narrative, a dual view emerges on the transfer process. From his perspective, budget transfers are seen to go through the budget department, while the Finance Director views it as occurring through her office. Furthermore, the County Administrator considers the budget and accounting procedures to be compatible. Yet when asked whether the two procedures conflict, he remarks, "No, not really, only when there is not enough money to go around." In a qualified sense, what this remark conveys is both the compatibility and conflict of procedures. Yet, no such qualifications were introduced when the control process was defined in terms of the legal and institutional rules. Now in budget execution it is a rare occasion when there is enough money to go around. Therefore it is a real possibility that the two procedures can often be in conflict. Yet, the County Administrator, in describing the execution process, held that they were congruent. For instance, it was said that the budget proceeds strictly according to the broad goals set in a plan: both long-term, which occurs at the annual retreat, and short-
term through the appropriation process. Yet, when asked how he knew that the plan was being implemented, he responded:

I do not have the feedback mechanism that I would like to have formally. Informally I do have it. I would like to have much more of a formal feedback mechanism -- for instance, monthly progress report by departments, certain operational statistics, invoices paid, building permits issued by month as part of the budget. [I ask them] "what did you identify as major projects? where do you stand on that?" [So I look for] [m]ore detailed information.

The Commissioner of the State agency (Agency #4) also maintains that execution entails both the realization of a spending plan and discretionary spending. He notes:

My goal is to make sure that all of the various units planned their expenditures and were held to those plans, with the opportunity for changes in extraordinary circumstances with adequate justification, except at the end of the year. At the end of the year I lock up those balances, and make the decisions on my own [as to] where the balances are supposed to be spent. Last year even though the policy was in effect, some major spending decisions had been made without my knowledge based on those balances, and put into effect before I was informed of it. And [so] I had to make corrections at that time with the budget division.

Here again, we see the controlling aspect of the process, described in terms of the legal and institutional rules that are set aside at the year's end. Thus multiple interpretations of the budget control process coexist. Consider another account of the execution process, where the institutionalized controls were negotiated with agency specific norms:

The field makes their tradeoff between various budget accounts, trying to preserve the resources at the local level rather than returning them to

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the organization for redistribution to others. There is a tremendous amount of politics that goes on in terms of the major divisions as to the allocation of resources between those activities. For example, our maintenance division is constantly looking for more dollars to carry out their maintenance expenditures, and the people on the construction side are looking to keep those maintenance expenditures the least amount possible.

In this narrative we see that the formal control process neither describes nor necessitates such politics as an effective mechanism in budget execution. Nevertheless, in practice both remain very much a part of the process.

A similar view is narrated by the Comptroller of the Federal agency (Agency #5). He describes the execution process in terms of the institutional rules of developing, following, and monitoring the obligation plan authorized by the headquarters. Yet he also mentions the process as one of affecting compromise and exercising discretion. For instance, he mentions that:

There is supposed to be a minimal amount of money to spend on the maintenance and upkeep of the buildings. This year the number reflects zero, because we didn't have any money, but technically we should have 2 million each year. And the reason behind that is to assure that we don't let the buildings deteriorate at the expense of production. Well, our FY90 figures were so bad that the senior management decided that we are not going to budget up-front, but we are going to hope that at the end of the year, when somebody's money is freed up, we will be able to do some of that work. The hard part comes when you have to delay something else, and then it becomes very parochial. Because, one of the department chiefs say, "Wait, why do I have to take this hit to do this?" So, that's where our Technical Director sort of plays referee, and that meet-
ing will come up with a consensus opinion that we will send to our Technical Director, and then he normally will agree to what the Resource Advisory Board recommends.

Section 3: Budget Officers' Identification of Ambiguity in the Budget Execution Process

The budget officers who have more experience with execution admit to account switching, whether intentional or unintentional -- despite their characterization of the process as rational. Consider the statement of the Finance Director of the Municipality (Agency #1).

There are some people on the lower level who may have a command or edict from the department heads that say, "I want such and such by this time: You know. Get it now and I don't care how you do it." And then they walk away. And these little people know little, but they don't know the whole picture. Maybe they don't realize that you can't do that, and yes, there are some who know exactly what they are doing, and they try.

Also interesting to note is how the Finance Director "cleans up" the accounts in order to make budget transactions pass the scrutiny of the auditors, something that the agency head puts a high value on. In responding to the question whether the auditors accept the explanations given on the transactions, the Finance Director responded by saying:

What the Accounting Supervisor and I do is try to head it off even before it happens by making sure that there isn't anything out there that is questionable.
Consider the view of the Finance Director of the County (Agency #2), who narrates how the interpretations of different units lead to problems, despite her initial view that the process runs smoothly.

This last week we are putting in this new financial system, and we are meeting with the budget department and the analysts. Talking about how we wanted to structure this, we got in a huge fight. Everybody wanted something else, and we all are under a lot of pressure of doing five things at one time, and really we are working on the same project but we couldn't even get to what we were looking at the project.... [She then admits,] I think it's mostly because of the different ways of experiencing what you are thinking. Where I may say something to you and you can take offense, and I didn't mean it that way and you will be at my throat, and then we can't even talk about what you are supposed to be doing.... [Asked what the nature of the disputes are, she answered] Well, I guess, it [has] got to be precise for those who want it precise, and not precise for the other ones.

The Assistant Director of the State Field Agency (Agency #3) also describes dualism in the budget process. He comments that, "I have a decentralized budget process. I do, but I also retain ultimate authority." He further notes:

In the second year you operate differently than you do the first year, and none of this is written, it's just from experience that you know, first year you can play with it, second year you can't. [He further mentions that] ... there is a department head who will come in here and say he needs this, and I will say he is full of bull, because I know who he is, and I know what has happened in the past. I know how important his pet projects are to the agency. Another person will come in and say "I need $50,000," and I will not question it, because I know they are consistent with the direction of the agency.
In this account, the budget officer is indicating that there is a tacit dimension in budget execution that is not spelled out in the formal conception of the budget or in the budget manuals. Yet such a dimension become practically effective in managing and controlling the execution process. This tacit dimension includes norms that exist in the agency sub-culture and the discretionary judgments made on the basis of behavioral patterns. Even the idea of "the direction of the agency" against which interpretations are justified lies not in any documentary source but in the judgement of the budget officer. On the question of whether disagreements occur when he is interacting with the Accounting Manager, his response was:

All the time. [Then he immediately qualified this by adding] but we work the numbers together. We have a mutual respect for each other. We know that we understand the process, and if we are within the ballpark. In budgeting it's a guessing game any way you look at it. If we are within $100,000 of each other, I don't argue. He doesn't argue either.

This is another instance where the interaction is based on settled agency norms regarding mutual expectation of role performance more than on position descriptions.

Now consider how multiple interpretations coexist in the process. The Budget Director of the State agency (Agency #4), who at the beginning describes the process as following the spending plans with negligible variance, gives a different view when describing the transfer process.
They write it up and submit that through the quarterly review process. You know how people read that stuff. A lot of times the initiation of the thing generally starts with a phone call, or using the process to show that. But if it's something that's outside the norm, it depends on the order of magnitude and generally a memo will be written. And of course, everything that we do depends [on] who is asking what. But that's not the overriding thing. We do not let personal biases enter into the process.

What is interesting to note in the above narrative is the interpretation of the transfer process as both formal and informal. On the one hand, the Budget Director is stating that to guard against personal biases, the transfer process follows the formal rule of quarterly review and written memos. At the same time, he maintains that people do not have any clear understanding of this process, and that the actual process is handled through phone calls, agency norms, the order of magnitude; and who is making the request. In the absence of a response on whether the formal process simply legitimizes the informal one, the only observation that can be made is that one supplements the other, thus rendering the process a complex interplay of multiple interpretations.

Section 4: Accounting Officers' Identification of Ambiguity in the Budget Execution Process

The accounting officers generally denied the use of behavioral interpretations in their monitoring function. Yet the Accounting Supervisor of the Municipality (Agency #1) depicts the process involving such judgements as follows:
The Finance Director would come back and say, "Well, the Town Manager says, such and such department head is going to try to pull this request through. We don't want to do it, you [have] got to be on the look out." She would come out and tell me things I should be looking for.... [She also notes] you have to make some kind of interpretation as you get to know different people. It may be that some person is a chronic complainer, and you could get a memo complaining, and you have to take it with a grain of salt, because he complains about everything. There is something I could take at face value. You know forms, vouchers, and stuff like that, but some of the memos and stuff like that, you have to sometimes look for things behind.

The Accounting Manager of the State Field Agency (Agency #3), gives a different view on ambiguity in the process when he notes that:

We got an annual appropriation of $268,000 from federal programs, but actually we are dealing with about $134,000. Its a reimbursable program, and we identified at the beginning of the year that the projection was totally off, but we could not get it changed. We were told by Planning and Budget that we could not change that. Well, you know its false to go ahead with. I got $268,000 to work with. I want to reflect it in my annual appropriation column, but, folks, its not really my cash balance, but its more reflective of what I really have to go ahead and work with.

The Accounting Manager admits that his agency does not have any mechanism in place to translate expenditures in terms of the starting appropriation. He comments that, "right now it's more intuitive." Thus the budget execution process is formally based upon the appropriation structure, which is considered to drive the process; yet, the actual appropriations can itself be at variance from what is expended. In this sense, two
messages are being communicated -- one that is formally documented but not adhered to and one which remains undocumented but forms the actual basis of budget decisions.

Consider the following narratives on the tension that runs between the budget and accounting divisions. The tension is admitted by the accounting officer but denied by the budget officer. First, consider the view of the accounting officer, who says:

At the beginning of the fiscal year, when we are in the process of closing out the previous fiscal year, say, June 30, it takes us longer to get that closed, maybe in August. In the meantime, we cannot process the July financial data or the August financial data until the June data is completely closed. Then folks are saying that we cannot manage our operations. We blew the budget because we did not have the monthly report for July and August on time to manage our operations. But at the same time they are also keeping internal records that pretty much shows where we are financially on major components, so I am not sure that is a reason, but it is used as a reason to document any overreach in the budget. My challenge is to be able to take away that crutch.

Now consider the view of the budget officer, who was asked: "whether disagreement over procedures occur between the budget and accounting department?" He sighed responding "Yeah" but then immediately went on to say that:

we sit down face to face. The big thing is, we agree. We don't go on to finger pointing or anything of that sort. We try to understand why we are different, and generally they see. The beauty of it is, we are all operating on the same sort of numbers. It's just how some of the numbers get down to the point where they disagree.
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In these two narratives, while the Fiscal Manager is interested in rooting out the source of disagreements, the Budget Director is more keen on arriving at a mutually agreeable consensus.

What is interesting to note here is not who is providing a clear view of the relationship but that the two offices hold different views on their relationship. It is such differences that lead to accommodation, which allows ambiguity to emerge as an unintended outcome of interactions. This is because the intended outcome is the absence of friction between the two offices as long as each clearly follows his/her formally established procedures.

Another view of why procedures do not realize their intended function is expressed by the Accounting Supervisor of the Federal agency (Agency #5), who states that, "the codes of accounts are not working the way it is stated." He did not elaborate on his comments, but when asked to comment on the organizational politics, his response was, at first, admission, then denial:

Very little. I don't think so, not in budget execution. Probably. I guess there could always be. Well, no. I don't know. Well, there could always be some politics. [When asked whether he follows the rules of the game he replied saying] Well, I guess. Well, I will probably say no. We work strictly by the regulations, but we have to use judgment.

Budget execution is fraught with changing circumstances, which confront the routine procedures. Therefore, proce-
dures are often adjusted, not in terms of their formats but in their interpretations to face the changing needs. Thus the Budget Director of the federal agency (Agency #5) acknowledges that "most situations are covered in regulations, directives, but you are going to find those that aren't." He goes on to comment:

You know, every transaction represents in most cases some difference. There is a slightly different requirement that gives rise to the figures that you see. While the actions that get recorded is exactly as the last one, the requirement in a lot of cases is radically different.

The Accounting Supervisor of the same agency expresses his attitude in more explicit terms, saying:

different units follow different procedures. Although government has attempted to standardize that, but they haven't done a good job at it.... The code of accounts are not working the way it is stated in the procedural manual.

This reflects the fact that procedures often conflict, which in operational term means that different units interpret the procedures differently.

A more detailed narrative on procedural adjustments is illustrated by the Accounting Supervisor of the Municipality (Agency #1):

When you put out a purchase order but you haven't actually bought the material, but waiting for it to come in, you encumber an expenditure account. That's just telling the expenditure account that it's going to have an expenditure in the near future when the materials come in. But we have one department who doesn't understand that. They say that they have got money in their revenue accounts
and they want to buy out of their revenue accounts. So they are trying to encumber revenue account and the computer doesn't accept that and spits it out as a bad account, and then I go and do the corrections. Another example would be, departments would call and say, "I didn't spend this, this, and this, and I didn't mean it to come out of that account." Or, in another case we had revenues coming in, and they were putting that into the expenditure account, instead of establishing a separate revenue account, because that would make their expenditures look smaller, because as the revenues come in, then obviously your expenditure accounts would go down, and it wouldn't look like you have spent as much as you have.

The Fiscal Manager of the State agency (Agency #4) also admits that their account codes do not exactly match with the state Comptroller's codes. He mentioned that forms often do not capture the right kind of information, because "the forms are not designed efficiently." The Fiscal Manager agrees that he has to frequently interpret the information contained in the forms. Yet he holds that, "folks are pretty much accustomed to the forms, so they know how to read it, and there is not a lot of interpretation required from my end".

What we see in both accounts is not a confused or inarticulate understanding of the accounting officer, but a general acceptance of interpretive judgments as integral to the process. Yet the account ends with the minimization of the importance of interpretation and emphasizing the functionality of the system.
Section 5: Ambiguity as an Attribute of the Budget Execution Process

Agency heads do not see their roles to be derivative of their positions descriptions. In fact, all agency officials mentioned that they frequently update their position descriptions, and one accounting officer mentioned that he simply ignores his. What came out of their accounts is that no significant importance was attached to the formal position descriptions. In fact, in Chapter VIII, we saw the variations between position descriptions and actual role identifications. The nature of ambiguity in role performance partly stems from such variance. But in a more important sense, it emerges from the different roles that one perceives to bear on job accomplishment. For instance, the Town Manager narrates, saying:

The town charter says that the manager shall do certain things, but I hope each manager brings a little different twist to the job.... [This] comes from one's mentor, people with whom you have worked with and observed, and admire.

Similarly, the County Administrator says:

I think of myself as a catalyst and a facilitator. They probably think of me as a dictator, someone to avoid.

Consider the more personalized role of the Comptroller of the Federal Agency (Agency #5) when he narrates his interaction with the Accounting Supervisor. In this account, he is describing a process when the Budget department has identified some funds for transfer and stipulated certain other funds to
cover this up. Then the decision is sent to the Accounting department for endorsement and inclusion in the general ledger.

It's a little bit of gambling, and that's where sometimes the accountants are very reluctant to do something like that, and in fact, sometimes I would go to my accountant and they would just not want to sign it. I would just more or less give them a look [laugh], because they are very conservative by nature, and I think that's only natural, and to a certain degree it's good. You need checks and balances, and that's their job, and sometimes you have to stretch with that type. You are not going to do something illegal, but it's a matter of interpretation.

In this account, it is noticeable that the Comptroller on the one hand sees the accounting function as necessary, yet at the same time feels that the formal requirements sometimes need to be stretched. Such a decision depends on his exercise of discretion, and not on the logic of the procedural dictates.

The Comptroller also provides multiple interpretation of the accountants' role. On the one hand, he holds them to be necessarily cautious, while at the same time he considers them to be unduly restrictive. On the other hand, he appreciates the division of formal roles, while at the same time he transforms his formal role into an informal one in order to persuade the accountant to comply with him.

Role variation takes different forms. Often it occurs in what is perceived to be the incompatible purposes that one is called upon to achieve. For instance, the Finance Director of the Municipality (Agency #1) remarks:
You don't really want to be cash short and also be responsible for bank deposits. [Or] If somebody knows that they don't have enough money on certain line-item, they want us to help them out. If you really had two separate functions you wouldn't be discussing this.

This account implies that the Finance Director exercises her discretion in helping departments with their spending, despite the conventional image of her being a nay-sayer. One reason why such variance between the expected and actual occurs is narrated by the Accounting Supervisor of the same agency when she mentioned that:

We don't have a budget person. We never had. The Finance Director is basically our quote, unquote "budget person." That's not her title. She is the director of Finance.

Another form of role incompatibility, which is more institutional by nature, occurs when responsibility for budget execution is clearly delineated in the formal organization chart but remains unclear in practice. For instance, the Finance Director notes that:

Well, initially budget was done in the Finance office. So all of the functions were in Finance. When they pulled it out, we weren't sure which function is for Finance to play. Of course, budget preparation was for Budget department, but when you get into the area of budget transfer during the year, we weren't sure whether that was Budget or Finance. So we tried it in one way and then tried it in another way. Right now it is Finance, because of the lack of people in the budget department.... So sometimes we shift the different duties between us. We really haven't got them in a firm place yet.

Almost all the agency officials I talked to agreed on
the functionality of ambiguity after I interpreted the conceptual meaning of the term to them. The various comments that followed are provided below. The reason for this elaboration is to construct the meaning of "ambiguity" as a joint interpretive process, and not something unilaterally attributed. All of the following are responses to the general question: "Do you think that ambiguity occurs in administration?"

Reply of the Town Manager

Yes, all the time, and I think the manager is trying to be aware and skillful in distilling what is the real meaning of a particular issue, what is really driving a particular issue, because everything is political, oftentimes issues raise their head, and the subject of the issue is really not the issue if that makes sense to you. It's figuring out where the pulse is.

Reply of the County Administrator

Ambiguity actually works if there is room for creativity in leadership, if it doesn't stifle creativity. That also depends on the nature of the personality. If there is an authoritarian personality, you need room for creativity and you need ambiguity without conflicting with the procedures.

Reply of the Commissioner of the State Agency

Sure, well, there is ambiguity in terms of interpreting the goals and objectives that we are trying to achieve. There is a certain amount of ambiguity in the kinds of controls that are established, where one unit will see it as a rigid control element, the other unit sees that as an opportunity to make adjustments. One views it negatively. The other views it positively. I see that occurring in life as in budgeting.... It becomes destructive only when it is carried to an extreme. In this organization, we are encouraging people to take risks, to be innovative, to be creative. We are also instructing them however, that while they are
doing that they also are members of a team and need to work together in accomplishing goals. Here, ambiguity serves to set up the limits of the discussion. Where one person sees an issue here, another sees it there, which describes the range of the issue that they have to resolve, and they get together and work together. They may move their limits or may move more to one side. I think that's healthy. We have a work plan that is carried out at the local field level, and they want to carry it out in one way, and the control unit here in the central office sees the issue somewhat differently, and they get together, and they can perhaps both learn from the different perspectives, and a healthy decision comes out of that process, that meets the operative goal, yet preserves certain amount of integrity of the control process.

Reply of the Comptroller of the Federal Agency

A new requirement comes up and you don't know where the money is coming from - cost overrun. Then sometimes you have a crisis on your hands, and someone calls you up from contracting, and they say -- "We have so many days to award a contract, and it expires tomorrow and we don't have the money." Or some contractors need it today, so what do you do? Now, technically we shouldn't approve it without having the money. Well, what we are forced to do sometimes, is gamble a little bit, and we will say "fine," and we might borrow some money out of our salary account or out of an area that we think could be delayed till next year. And just because of the pressures of the situation, we go ahead and do it, and then at the next BRG meeting, you try to identify the funds to cover it. Now there is a risk involved in that, because you are never sure that the money is going to materialize, or the decision made is correct. It's a matter of interpretation, and sometimes you don't get the right interpretation, [yet] sometimes you have to make a decision, and you [have] just got to roll with the dice if you are going to get anywhere. Sometimes you will be criticized later by an auditor, so be it. It's a matter of a judgement call, seeing whether a job gets done or not.
Reply of the Finance Director of the Municipality

Yeah, especially towards the end of the year, because there are some departments that run real close on their budget and I know that there are ways that I could get around, so that they don't go over and it can be justified. I don't do anything that's illegal. I don't do anything that's fraudulent, but I don't go and ask the auditors "can I do this," I just go ahead and do it.

You always run into situations that just don't fall into place, and sometimes from the accounting point of view you might say such and such, but you can really interpret it another way. You really can. So, of course that happens here quite frequently.

Reply of the Finance Director of the County

Well, even though there is an Assistant County Administrator level, the Budget and Finance office work with the County Administrator most of the time, and I think it's part of his management style that he is not clear about what he tells you. He will give three or four people the same thing to work on and different pieces of what they are doing, and we are just aware of that now. When we go in we say --"Is this what you really want?" No, he wants something completely different. He changes his mind... Now since we have gotten used to him not being precise, that gives us a little more leeway when we are trying to interpret it [budget], and put it into operation. So that worked out a lot better.

The County Administrator will tell them [Departments] to go ahead and do a transfer, even when they don't have the money in there. That gives us problems. We usually try to run around and find it somewhere. But some of them are told directly --"You have to do this, I don't care if you have it in your budget or not." It's less personal but institutional in nature.... A lot of time the County Administrator is tied up in what he and the Board are doing, and as long as you are doing projects that involve them, they know what you are doing. But when you get to where you are doing other things, which is actually running everything in the county, they have no interaction with that.
part, and may not even realize what you are doing. So you may have 80% of your work go unnoticed that nobody even knows what's going on.

We appropriate money to the schools but we have no control as to how they spend that money, and they don't even report to us very clearly. For three or four years we have asked for more clear documentation of their budget process [spending] and have not got it since. We get from the school board a packet maybe 15 pages long for what makes up 50% of our budget, and the rest of us provide them with 100 pages of what is going on in other areas. We can't see in their documents exactly where their money is going. They may have one figure for salaries of all teachers. You don't know what that includes -- an actual raise or what programs are out in there. Sure, they do it deliberately. They don't want us getting in there and disagreeing with them on certain policies. It's something along the lines of what we have done in the last five years. Before, the Board got the whole detailed copy of what the departmental budgets were. And we didn't want them to see that anymore. We just wanted them to see one thing [the total] so they [departments] wouldn't go in there and complain.

Reply of the Assistant Director of the State Field Agency

I am not sure that's a fair question. Every time I make a decision, there is a grey area, it's never concrete, and there is always a potential for some risk and interpretation. I have taken actions that were highly supported by everyone down here, but when that action was reviewed by an outsider, it was the worst thing that I could have ever done. Risk-taking is part of doing the job, and I am paid to make those decisions.

Operationally Richmond don't care. If I spend the money to buy food or wheelchairs, they don't give a damn. So I have total discretion. However what you are describing is something that does occur. At the beginning of every fiscal year, the department [headquarters] treats me like I treat the cost centers, so they will move money around. For example, this fiscal year, I was ordered to transfer $500,000 to another agency. What I did is, I showed them how that $500,000 would hurt me. Now, I get
creative in my explanations. As an example, I pulled that $500,000 out of an administrative area rather than out of a patient care area. However, when I go to Richmond and say, "you can't take that amount from me," and I explain that would be detrimental to the patient, because, the patient is politically smarter to talk about.

I say, I need to buy a new van. And they look at me [and say] "Why do you need a van? You already have a van." They don't see [that] it is connected to patient care. What I say is, if I don't get this van, I can't transfer this patient to dialysis and this patient will die. I will always transfer that patient to dialysis whether I have the van or not. I will find a way. What may actually happen is this: I may buy a van, but not give it to transport that patient for dialysis. I will give another van and keep this van for transporting cargo. But in my mind I freed up a vehicle, but it's always connected to patient care. They have a tough time arguing with me. They just have to bite the bullet and say we are bad guys and this is the way it is. It's the same thing that happens at my level. The department heads come to me and they will say it's for the patient, and I will say, "tough."

Reply of the Budget Director of the State Agency

The Budget Director describes ambiguity as a problem and emphasizes the need for procedural solution.

There is enough ambiguity -- period. But if you do have an area where there is a rub, that has either caused a disagreement, or is pending to cause a disagreement. Then you define it and try to document it so that, even if you are gone there is a procedure set in place, and that's the way I operate, because there is enough ambiguity in what we do.

When I use the term discretion, it's not a discretion of say, we got x number of dollars and we really don't know what we want to spend it for, and whatever rolls down the road we will spend it for. That's not what I mean by discretion. What I mean by discretion is the ability to, one way or another, maybe, shave a little bit off and use those
dollars by making a determination of programmatic priorities of field requests.

Reply of the Budget Officer of the Federal Agency

How ambiguity gets created and retained in the process and get partially or temporarily resolved through "fine tuning" is described as follows:

We get a lot of imprecise explanation. Okay, let me put it in a broad perspective. If you rely on other people for information, there always is going to be a disconnect between your requirements and the other person's requirement, always, always. Then you got two choices. Either fine tune it, or you let it pass, in which case you are most likely to get in trouble with the next level of review and up. So I would say, "unless unavoidable you better go to fine tuning," which however carries some penalties. So you have to weigh, how precise the information that you need vs. who gonna "tee" off next [meaning, who is going to look at it next]. It's a question of taking risk with imprecise information. It's a balancing act. That's what I am telling you.

Reply of the Fiscal Manager of the State Agency

The Fiscal Manager depicts how the ambiguity in information is retained in the routine procedures.

I think we have some areas where I think there is certain amount of that. For example, I have been working on one issue of capital acquisition, fixed assets chargeable to projects, and if so what is the level and can they be charged to federal projects. Generally, we operate on the standpoint that, no, it should not be charged to federally funded projects. Well, the question is what is a fixed asset. That varies from company to company. One will say anything over $500, another will say anything over $5000, and I am not sure that we have clearly defined the definition of that so that it can be followed in the field. So, I had occasions where there were problems and it's unclear because some don't think what they are charging is a fixed asset. I probably could think about other examples,
and I think it's because of a lack of clear definition. The lack of clear definition doesn't help me. I think it could help those in the field who are trying to find out a creative way to get something financed. Then the lack of clear definition could very well be beneficial.

The above narratives of the budget officials at all levels of budget execution provides general support to the conceptual argument made on ambiguity. Even when role players show a general aversion to the term, they nevertheless admit to its existence and even to its functionality. Apart from directly addressing the retention of ambiguity in the budget execution process (as shown in this Chapter), the analysis of accounts on role performance (Chapter VIII) and procedural routines (Chapter IX) also depicted ambiguity as an unintended outcome of the process.

Roles and routines are not simply acted out, but are transformed, taking on new meanings under different situations. In fact, in two of the agencies, budget accounting and budget management are merged into one role performance, although the official position descriptions and the procedural routines remain separate. In another agency, the accounting officer plays the role of the budget officer, and the budget officer that of the agency head.

Similarly, through the procedural routines, budget transfers are regularized without the necessary accounting documentation to reflect them. Instead, the accounting procedures
continuously depict the execution process to be in compliance with the original appropriation and intent.

**Ambiguity in the Dispositions of the Budget Officials**

In order to conclude this chapter as well as Part C of this study, I shall lay down the summary observations derived from the account analyses. Table 4, summarizes the general dispositions of the agency officials on selected questions.

**Table 4: General Dispositions of Agency Officials**

<table>
<thead>
<tr>
<th>Item</th>
<th>Agency Heads</th>
<th>Budget Officers</th>
<th>Accounting Officers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpret Procedures</td>
<td>Yes (4)</td>
<td>Yes (3)</td>
<td>Yes (1)</td>
</tr>
<tr>
<td>Distinguish Policy &amp; Budget Success</td>
<td>Yes (1)</td>
<td>Yes (3)</td>
<td>Yes (4)</td>
</tr>
<tr>
<td>Distinguish Policy &amp; Operation</td>
<td>Yes (2)</td>
<td>Yes (5)</td>
<td>Yes (5)</td>
</tr>
<tr>
<td>Success Silence</td>
<td>No (3)</td>
<td>No (2)</td>
<td>No (1)</td>
</tr>
<tr>
<td>Disagreement on Procedures</td>
<td>Yes (4)</td>
<td>Yes (3)</td>
<td>Yes (4)</td>
</tr>
<tr>
<td>Role Shift</td>
<td>Yes (4)</td>
<td>Yes (4)</td>
<td>Yes (3)</td>
</tr>
<tr>
<td>Tolerate Error</td>
<td>Yes (4)</td>
<td>Yes (2)</td>
<td>Yes (2)</td>
</tr>
<tr>
<td>View of Accounting</td>
<td>Rigid (3)</td>
<td>Rigid (5)</td>
<td>Rigid (4)</td>
</tr>
<tr>
<td>Prefer Clear Standard or Creative</td>
<td>Creative (4)</td>
<td>Creative (2)</td>
<td>Creative (2)</td>
</tr>
<tr>
<td>Solution</td>
<td>Creative (4)</td>
<td>Creative (2)</td>
<td>Creative (2)</td>
</tr>
<tr>
<td></td>
<td>Creative (3)</td>
<td>Creative (2)</td>
<td>Creative (2)</td>
</tr>
</tbody>
</table>
From this table we can observe certain general tendencies.

Agency heads prefer to see the execution process as flexible and integrated with the policy goals and to evaluate its operation against such goals. On the other hand, budget and accounting officers maintain a separation between policy and operational issues and evaluate their performance on that basis. All officials agree that they experience role variations, although the accounting officers are less prone to such variation.

There is also a general agreement on viewing accounting as inflexible. This view is further reinforced by the accounting officers' preference for clear standards over creative solutions as well as their intolerance for imprecise explanation. But with respect to both, the preferences of the budget officers are also the same. One reason why there is not a clear division among the budget and accounting officials on the two items may lie in the fact that in two of the five agencies the budget official is also the accounting official. Thus the table shows that budget officials experience role variation as well as equivocality in interpreting procedures. Other general observations that can be discerned from the accounts are listed below.

(1) Budget execution follows but does not strictly follow the budget as formulated.

(2) Budgets are executed on the basis of line-items as well as programmatic expenditures.
(3) Records are maintained on a cash basis even though obligations are carried forward through the accrual method.

(4) There are differences between the stated policies and their actual operation.

(5) Spending is planned and execution is evaluated against such a plan even though there are frequent adjustments made within and between expenditure categories and funds.

(6) Interpretation of Fund Balance and reconciliation of different accounting ledgers do not follow the logic of appropriation but of the institutionalized rules of accounting and/or the agency norms.

(7) Budget review meetings can be both routine and strategic, depending on their timing in the fiscal year.

(8) There are no clear cut positions for budgeting and accounting, although they remain separate in terms of their role requirements, information contents, and the way information is displayed and used.

The retention of ambiguity in budget execution can be summed up as the general practice of ensuring conformity with the budget totals through the legal and procedural guidelines, while internally shifting the expenditures among different account codes and priorities. Despite the practicality of this semi-structured process, budget execution is viewed primarily, both in the theory and in the budgeteers' cognition, as a control function serving the needs of rational management. In fact, the legitimacy of control is sustained by adhering to the institutional symbols of efficiency, economy, and accountability even when the interaction of the roles and routines do not actualize them in practice.
CONCLUSION

In this study my goal was to present the research in such a way that its relation to the larger body of administrative theory can be maintained. I have attempted to do this in terms of elaborating on and relating three central concepts of the administrative process -- control, role, and routine in the creation and retention of ambiguity in the budget execution process.

It is a commonplace statement in the field that the administrative process is both an art and a science. What is not stressed is that the art is not one of novelty but is an institutionalized craft and that the science is not one of certitude but of symbolism. While rationality and its attendant concepts have shaped our espoused theory of the administrative process and deepened our understanding of its scientific status, such depth in terms of understanding the importance of ambiguity in the craft of administration is relatively lacking. The discussion of ambiguity is therefore offered as one key concept in our understanding of the institutionalized craft.

Ambiguity emerges and is retained in the administrative process not necessarily because of the love of politics and intrigue or the desire to display one's skills in gaining organizational status, but because of the very nature of the administrative craft itself. Competence in this craft involves the management of incongruence that emanates from conflic-
ting institutional rules and sub-cultural norms. These rules and norms involve both roles and routines in the execution process. Consequently, the pressure for their accommodation leads to the unintended creation and retention of ambiguity in the process.

The retention of ambiguity, although unintended, need not be considered an error of the system, an aberration, or a dysfunction of purposive rationality. Rather, ambiguity often turns out to perform a facilitative function in the administrative process. It nurtures a range of possible meanings and responses for task accomplishment, and by relaxing the formalities, it enhances informal system adjustments. For instance, ambiguity may lead to the avoidance of conflicts — where, by being clear and adhering strictly to the procedures one may force conflicts that otherwise remain dormant. Therefore, by allowing different interpretations to continue and be negotiated, potential conflicts are avoided, while at the same time keeping the system's formal properties intact.

Similar conclusions have been reached by other students of the subject. Lerner and Wanat (1983) maintain that, "if the notion of fuzzy sets as underlying much of bureaucratic categorization is adopted, a more realistic and humane public service can result" (p. 500). Cameron (1986) observes that "the most effective organizations are also those characterized by paradoxes, -- i.e., contradictions, simultaneous opposites, and incompatibilities" (p. 539). Dunsire (1978), in construct-
ing a control model of bureaucracy, argues that "the situation of multiple dilemma is not an aberration, but the very warp and woof of all positive control processes in bureaucracy, the basic dynamic structure or fabric with which other control circuits are integrated" (p. 224). In this study, I have also attempted to show that ambiguity is very much woven into the fabric of controls in the budget execution process.

The search for ambiguity involves not simply the linguistic expressions but institutionalized organizational practices. I have chosen budget execution as an exemplar of such institutional practice. Therefore, attention is given to the various roles and routines in the budget execution process.

One source of ambiguity lies in the multiple interpretations that emerge due to the very nature of the budgetary institution. For instance, from a rational control orientation budget execution is conceived of as a singular and sequential process, operating through the hierarchical command structure that actualizes the formulated budget and the attendant policy goals efficiently and economically. Yet, from the accounts of the practitioners of the craft, there seem to be not one but many budget processes at work. As one budget officer puts it -- "We [have] got various budgets, and budgets within each one, we [have] got processes within each one, and it's a juggling act, it's interesting."
What is essentially summarized in this description is a conception entertained from the vantage point of budget management. The budget officer sees not a singular budget as the legislative body or agency head sees it, but one that is fragmented along departmental and programmatic lines. In such a fragmented environment, how can managerial control be exercised, when such control necessitates not only the knowledge of the original budget, but also the continuous knowledge of its implementation status? In practice, such controls are found to be exercised through the procedural routines that include various forms, reports, informal contacts, and behavioral patterns in the execution process. But as these uniform procedures record the departmental and program budgets they become subjected to the nature and amount of information that the departments and program people provide. Such information not only accommodates the various contingencies of the ongoing situation, but also incorporates the interpretation of program needs and accomplishments that are entertained by the departmental and program personnel. In such accommodation and incorporation, the institutional roles and procedural routines lose their uniformity and get slightly deflected at each successive levels across the different departments. One budget officer termed this as "fine tuning" the process. This view can be typified by reciting one of the accounts, which states that:

In the budget execution process, there are constantly changing requirement. Nothing stays the same.
If we would have a stable program, it would make our life a lot easier. But there are constantly changing priorities. It comes from everywhere. So that was probably never in the original programs. So what does that mean? Some things have to shift. Something else is not going to get done. And then [what] that means from the budgeting and accounting standpoint [is that] we [have] got to switch money around to cover this down, and that's just a small example.... So a lot of our time is spent in trying to remassage this [in order] to get the money in the right pockets.

Apart from the levels, departmental variations in spending have to be reassembled in terms of the program categories. This introduces a second round of interpretation in the execution process. The operative rules for these interpretations lie in showing the coincidence of the actual spending with the quarterly allotment and the appropriation amount. Therefore, budget execution indeed is very much a conservative act, but its conservativeness lies in staying flexible within an aggregate ceiling and by nurturing a general control environment, where budget adjustments, both formal and informal, are effected by interpreting the rules of procedural compliance. This is what the budget officer symbolized as the "juggling act."

This same process is depicted when another budget officer remarked: "This is all that we have got, now what adjustments do we need to go ahead and make in order to keep this thing still operational?"

Let me recite two illustrations where such juggling acts are integral to the structure and dynamics of the process. First, the function and importance of accounting is generally conceived of as a technical activity that maintains the accu-
racy and impartiality in record keeping. Yet, parallel practices are in place, where the recording of accrued expenditures that are carried forward from one accounting period to another makes the cash record technically inaccurate. Second, the logic and meaning of fund balance -- the basis on which accounting records are maintained and execution monitored -- do not correspond to the logic and meaning of appropriation. In this instance, the technical meaning and practical use of "funds" (an accounting category specified by the accounting principles) and "appropriation" (a budget category specified by legislative politics) are not the same. Yet, both categories simultaneously define the budget execution process. Therefore, the coexistence of different categories in defining the process -- establishing the standards of performance and measuring their success -- creates variation in the performance of roles and application of routines in the budget execution process, despite the formally delineated functions.

Ambiguity thus becomes operative in the different ways that each role occupant in the process uses and interprets information, as well as the successive reconciliations (with the stated objectives and amounts) that are brought about in order to sustain the rationality of the enterprise. The minor but continuous deflections, interpretations, and reconciliations thus are not necessarily an intended but an unintended outcome of the institutionalized process.
The ambiguity of the process, therefore, lies in the various interpretations and behaviors that are constantly managed through the stipulated roles and routines, and then in assembling them into a single process that creates the appearance of being in compliance with all institutional rules and regulations. This appearance of compliance legitimizes the process on an ongoing basis -- a legitimation that is constantly effected by the explicit and tacit dimensions of the craft of budget execution. Thus, while the conventional knowledge of budget execution conveys the image of a singular, systematic, and procedure-dominated process, in reality it turns out to retain much complexity and ambiguity.

The contribution of this study is identified in the following terms.

[1] Administrative scholars make passing reference to the existence of ambiguity. The present research shows why and how ambiguity is an attribute of administrative processes. Rather than speaking in the abstract, the research demonstrated the why and how questions through specific illustrations from the budget execution processes in specific agencies.

[2] The depiction of the management of ambiguity extends beyond the budget execution process. It touches one of the basic questions on administrative processes. That is, explaining why and how the stability of institutional order and administrative performance are achieved amidst the complexity and continuity of the political system. The contribution to this end lies in explaining how ambiguity gets created and retained as an unintended outcome of the interactive rules, roles, and routines. In particular the contribution involves the translation of the institutional dynamics into three micro-level constructs: rules, roles, and routines. These three constructs thus advance the modeling of the bottom-up conception of administrative processes.
The study depicts the importance of ambiguity in understanding the institutionalized craft of administration. In particular, the study advances the understanding of the craft of budget execution, where ambiguity is argued to be woven in the very fabric of its control processes. The contribution lies in depicting the craft to be rooted in the simultaneous construction and reproduction of the institutional dynamics and actors' meanings of the process. The description of the formal mechanics as an interpretive outcome brings into attention an interpretive scope, which differs from the predominantly functional foci of research. The research introduces an interpretive strategy (i.e., account analysis) to explain the actors' meanings of the process -- a strategy that is yet to be incorporated in the mainstream research on the budgetary process.

Finally, on a methodological level, by using a middle-range approach, the study advances the role-routine construct as a theoretically interesting and empirically viable strategy with which to study the administrative processes of institutional organizations.

Like the contributions, the implications of this study for future research can be delineated as follows:

(1) By shifting the problematic identified by V.O. Key, future research on budget execution can probe into the question of how the retention of ambiguity leads to long-term flexibility in institutional practices, while sacrificing the short-run efficiency of the process.

(2) By using the concept of ambiguity our understanding can be broadened on the nature of intelligence in administration. This is in contrast to the limitations imposed on our understanding when we rely exclusively on the rational calculation model in administrative research.

(3) Having introduced the topic, a clearing is made to carry forward a more detailed study of ambiguity in its linguistic, intentional, and decisional manifestations in the budget execution process as well as other administrative processes.

Philosophy informs the limits of what is knowable and therefore viable for systematic study. The study began by noting the neglect accorded to ambiguity by the philosophers themselves. Therefore, it is fitting that I end by noting a
philosophical implication of ambiguity. While addressing the question of how human behavior can best continue under increasing complexity, Churchman (1977) refers to Hegel's writings to construe the answer. He writes that:

[T]he mature individual is the individual who can hold conflicting world views together at the same time, and act, and live, and that his or her life is enriched by that capacity -- not weakened by it (p. 90).

Similarly, ambiguity at the institutional level also increases the capacity of the administrative process to continue with increased complexity. It is the need to explain such a capacity which was posed as a theoretical question at the beginning of chapter II. And it is with the hope that in the preceding pages such an explanation has been offered that this study then draws to its conclusion.
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APPENDIX 1

QUESTIONNAIRE

Questions asked to all officials:

[1] How do you conceive the budget execution process?
   (a) What are the procedures followed?
   (b) What are the non-routine aspects of the operation? Do you keep any documentation of this aspect?
   (c) What does flexibility mean to you in budget execution?

[2] What is the accounting function in the budget execution process?
   (a) What are routine aspects of the process?
   (b) What are the non-routine aspects?
   (c) Which aspect has more significance for budget execution?
   (d) What kind of information is more important?
   (e) Which forms are more important?
   (f) How often are forms retrieved to explain or justify decisions?

[3] What are the types of information used in the accounting process?
   (a) In the accounting forms?
   (b) Which one's are regularly utilized?
   (c) Do you get those that you want? If not, then how do you form your judgments?
   (d) On what basis do you formulate your interpretation of procedures? (Manuals, Contacts, Past records)

[4] Would you entertain any distinction between policy and operational information?

[5] What kind of politics are played out in the budget execution process?

[6] How do you identify your role in the budget process?
   (a) Are there different expectations of your role by different people that you work with?
   (b) What kind of decisions do you make in your role?

[7] Do you experience any dualism in the messages you get? Why do you think this happens? What do you do then?
What do you prefer more? clear standards or creative solutions?
Do you receive clear explanation of what is to be done?
Do you have clear understanding of the policy intent?
Do you tolerate imprecise explanations?

What does ambiguity mean to you?
Do you see any ambiguity in the execution process?
Can you give me some illustrations?

Questions asked to the Agency heads:

Can you describe to me the interaction between yourself and (a) The budget official; (b) The accounting official. (c) How frequently do you interact with whom?

For your Agency, can you describe to me how budgeting and accounting functions are coordinated?

(a) What role do you play?
(b) What problems do you encounter?
(c) Are there occasions when the budgeting and accounting procedures conflict?
(d) How are such conflicts managed?

How do you become certain that policy goals are met?
(a) Do you consider the present system adequate?
(b) What are your suggestions?

Do you differentiate between policy success and successful budget execution?

Questions asked to the Budget officers:

Can you describe to me the interactions you have with--

(a) The accounting official;
(b) The agency head.
(c) Do you experience any shift in your role in those interactions?
(d) Do you experience any disagreement over facts, figures, timing, terms, procedures, or their interpretation?
(e) If yes, even if infrequent, then what do you do?
What are some of the advantages and difficulties of budget adjustment?

(a) What are the types of adjustments made?
(b) What procedures are followed for what type?
(c) Do you consult with the accountant in making those adjustments?
(d) How relevant is accounting information in your decision-making?

Would you consider the present system to be optimal?

(a) What changes would you like to see in the procedures?
(b) Would you make a distinction between successful budget execution and policy success?

Questions asked to the Accounting officers:

Can you describe to me the interactions between you- and (a) The budget officer;
(b) The agency head.
(c) How frequently and on what matters do you interact with both?
(d) Do you inform the budget officer about what the accounting requirement are?

In such interactions, do you experience any shift in your role from the formal ones?

Do you experience any disagreement over facts, figures, timing, terms, and procedures or their interpretations?

How is budget accounting accomplished?

(a) What purposes does it serve?
(b) What is the basis of accounting that is used?
(c) What forms are used to generate the accounting reports?
(d) Does the accounting system provide information on programs and their performance?
(e) What forms are used?

Do you consider the present system of accounting adequate or under-utilized?

(a) For the accurate monitoring of transactions?
(b) For the accurate monitoring of performance?
(c) What changes would you like to see in them?
DIRECTOR OF FINANCE - 231

GENERAL STATEMENT OF DUTIES:
Performs difficult professional and administrative work supervising all financial operations of the county; does related work as required.

DISTINGUISHING FEATURES OF THE CLASS:
An employee in this class is responsible for all financial operations of the county, including central accounting operations, utility billing and payroll. The Director of Finance coordinates the annual fiscal audit of the county preparing for and working with the outside auditors. Work is performed under the general supervision of the Assistant County Administrator for Management Services.

EXAMPLES OF WORK: (Illustrative Only)
Supervises personnel assigned to central accounting, utility billing and payroll.
Develops policies and procedures covering the financial operations of the County.
Prepares various complex financial statements, including cost reports, and reports required for the annual audit.
Coordinates the annual audit of the County's financial operations.
Reviews water and sewer rates on an annual basis.
Coordinates with the Department of Management Information Systems regarding the design and maintenance of the financial reporting system.
Assists other departments with questions concerning fiscal operations.
Oversees the County's transportation system for the elderly and the handicapped (CORTRAN).

REQUIRED KNOWLEDGE, SKILLS AND ABILITIES:
Thorough knowledge of the theory, principles and practices involved in governmental accounting; thorough knowledge of local government regulations and codes relating to accounting procedures; good knowledge of Management Information Systems applications to an accounting system; ability to plan and direct the activities of subordinates; ability to prepare complex financial statements and reports; ability to conduct special projects requiring knowledge of accounting systems; ability to work well with other employees, County officials and external auditors; ability to communicate complex ideas effectively orally and in writing.

ACCEPTABLE EDUCATION AND EXPERIENCE:
A four year (Bachelors) degree from an accredited college or university with major coursework in accounting or a related field, and considerable experience in professional accounting, preferably in government, and including some supervisory experience.

ADDITIONAL REQUIREMENTS:
Must be a Certified Public Accountant.
Position Summary

Serves as Comptroller of the DMA Hydrographic/Topographic Center and is the principal authority in supporting the Director and all Center elements for staff services involving the functional areas of financial management, program/budget, manpower and management analysis, finance and accounting, and data automation. **THIS POSITION IS COVERED UNDER THE DMA CIVILIAN MOBILITY PROGRAM.**

Major Duties

- Directs, controls, supervises and coordinates activities in assigned functional areas through four subordinate divisions staffed by approximately seventy technical and administrative personnel. Major management responsibilities include development, justification and execution of budgets and long-range financial plans, distribution and control of manpower resources, review and analysis of program performance, and development of economic analyses to insure acquisition of mission-related products and services at lowest cost. Also directs activities performing accounting functions for financial resources and exercises control of appropriated funds in accordance with administrative and legal requirements, supervises staff management and policy guidance of ADP matters and coordinates audits by external auditors. Provides Comptroller services to DMA Headquarters, the Defense Mapping School, the Office of Distribution Services, the Special Program Office for Exploitation Modernization and the Office of Telecommunication Services.

- Develops and controls an integrated financial management system providing timely and reliable data pertaining to financial affairs of the Center. Manages financial operations to assure adequate financing of assigned programs and interrelates financial data with production requirements. Coordinates financial and manpower matters with technical management officials.

- Reviews and analyzes statutory and administrative policy guidance, regulations and directives to determine their effect on the Center's operations. Develops plans for implementation of revised or new operating procedures and implements changes in response to changes of policy. Maintains currency in new developments related to financial management and adapts advanced techniques to the Center's requirements.

- Initiates and participates in the conduct of management studies to insure efficient mission accomplishment. Participates in formulation and review of DMA directives, policy and procedures governing management of joint operations under Headquarters DMA direction.

- Conducts and/or participates in briefings and conferences for discussion of management policy, operational problems or proposed changes in procedures or responsibilities. Monitors actions or develops data requested by the Director during program review and analysis or financial briefings. Obtains approval for recommended changes in financial policies and realignment of curtailment of activities. Is the Center's authority regarding comptroller matters and expresses the comptroller viewpoint during meetings and conferences. Promotes understanding and appreciation by top level management and operating officials of their responsibilities to develop and maintain economy and efficiency in the accomplishment of assigned programs.

Factor 1. Knowledge Required by the Position

- Comprehensive knowledge of OMB, DoD and Agency Programming, Planning and Budgeting Systems to develop, direct, and control an integrated resources management system for the Center.

- Knowledge of current and potential budgetary, ADP and manpower issues at the Congressional, OMB, DoD and DMA levels to readily adapt current and emerging concepts and constraints into meaningful Center policies and programs.

- Skill in interpreting complex legislative and regulatory policy guidance to determine effects on Center's programs and provide timely staff advice and guidance to Director and operating elements.

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APPENDIX 3B

- Professional knowledge of the theories, principles, practices and techniques of accounting and financial management to deal effectively with managing the Center's resources and providing top management with professional staff advice.

- Knowledge of the policies, goals, objectives and production requirements of DMA and HTC and interrelationship between the Center's operating elements to attain maximum utilization of assigned resources.

- Serves as a key member of the Director's top advisory team on financial and manpower matters and is a member of the Configuration Control Board, the Executive Manpower Resources Board, the Resource Advisory Board, Federal Women's Program Advisory Council, Resource Protection Board, Position Review Group, Steering Group Committee and the HQs Budget Review Group.

- Provides staff and technical guidance and centralized comptroller support for all HTC elements and field activities. Insures proper application of statutory and regulatory requirements and the conduct of a sound financial management program. Negotiates and finalizes support agreements with other agencies (approximately 85). Evaluates audits and coordinates responses.

- Represents the Center in contacts with non-DoD government agencies, foreign governments, commercial concerns and other organizations regarding comptroller matters. Conducts required tests of systems and procedures to verify their acceptability prior to operational implementation. Visits commercial enterprises to become acquainted with new concepts and techniques of business administration and financial management.

- Exercises personnel management responsibility directly or through subordinate supervisors. Takes action to keep employees advised of policies, objectives, regulations and procedures, sets performance standards and evaluates subordinates. Makes selection of new employees, initiates or approves personnel actions, manages periodic review of positions, assures an organizational structure responsive to requirements, recommends incentive awards and promotions. Resolves complaints and grievances and investigates and corrects disciplinary problems.

- Insures compliance with standards for equal employment opportunity, supports the objectives of this program and maintains an affirmative action plan.

- Takes action to insure employees are afforded the opportunity for training, consistent with the needs of the organization.

- Administers the Center's Effectiveness/Productivity Program. Establishes annual goals for major HTC elements. Audits and certifies accuracy of reported savings in accordance with HQ OMA criteria.

- Manages the Model Installation Program which creates an environment and opportunity for elements to implement innovative ways to manage more effectively.

- Implements provisions of the Financial Manager's Integrity Act, including preparation of vulnerability assessments and conduct of Internal Management Control Reviews.

- Manages the Center's Commercial Activities (CA) Program with a view toward conversion of selected in-house activities to contractual efforts.

- As a member of the HQ OMA Budget Review Group, participates in development of recommendations for reprogramming actions and revision of OMA-wide budgets and financial plans.

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APPENDIX 3B

- Knowledge of ADP systems applications, interfaces and capabilities to direct development of new systems that will eliminate manual procedures and paperwork and provide more meaningful data for management of the Agency resources.

- Knowledge of the policies and practices of supervision and personnel man-

- Professional knowledge of the theories, principles, practices and tech-
  niques of accounting and financial management to deal effectively with managing the Center's resources and providing top management with professional staff advice.

- Knowledge of the policies, goals, objectives and production requirements of DMA and HTC and interrelationship between the Center's operating elements to attain maximum utilization of assigned resources.

- Serves as a key member of the Director's top advisory team on financial and manpower matters and is a member of the Configuration Control Board, the Executive Manpower Resources Board, the Resource Advisory Board, Federal Women's Program Advisory Council, Resource Protection Board, Position Review Group, Steering Group Committee and the HQS Budget Review Group.

- Provides staff and technical guidance and centralized comptroller support for all HTC elements and field activities. Insures proper application of statutory and regulatory requirements and the conduct of a sound financial management program. Negotiates and finalizes support agreements with other agencies (approximately 65). Evaluates audits and coordinates responses.

- Represents the Center in contacts with non-DoD government agencies, foreign governments, commercial concerns and other organizations regarding comptroller matters. Conducts required tests of systems and procedures to verify their acceptability prior to operational implementation. Visits commercial enterprises to become acquainted with new concepts and techniques of business administration and financial management.

Factor 5. Scope and Effect

- The purpose of the work is to develop, administer, control and maintain an integrated resources management system and provide staff advice concerning the acquisition and utilization of Agency resources. Resources decisions made by the incumbent have a significant impact on the Center's accomplishment of its MCM mission.

- The work of the incumbent facilitates the timely, effective and efficient accomplishment of the Center's mission within established resource constraints.

Factor 6. Personal Contacts

- Personal contacts are with Center's Director and key staff advisors, Headquarters DMA key staff, and Directors of other DMA activities supported by DMAHTC. Contacts are maintained outside DMA in higher echelons of Government (Congressional committees, OMB, OSD, GAO, ESA, the military services, etc.) and with Comptrollers in the private sector who conduct business with the Center.

Factor 7. Purpose of Contacts

- Contacts involve policy, regulatory and procedural issues and defense of Center's resource requirements to higher authorities. Contact are for the purpose of resolving problems, developing and implementing new policies and procedures, reprogramming resources, and providing staff and technical guidance related to Comptroller support.

Factor 8. Physical Demand

- The work is mostly sedentary. Travel is also required to other activities, both in and outside the Washington Metropolitan Area.

Factor 9. Work Environment

- Work is performed in an office environment, either locally or in visits to other activities.
INSTRUCTIONS: This position description is an important document for determining the appropriate classification, pay range and performance standards for a position. Parts I and II are generally completed by the employee in the position with supervisory review. The shaded areas of Part I, however, should be completed by the supervisor or agency personnel officer. Part III is to be filled out by the immediate supervisor. Please be sure that the information on this form is accurate and complete. You may refer to the Position Description brochure, "How To Write a Position Description" for guidance in the completion of this form.

PART I: ORGANIZATIONAL INFORMATION

1. Name (last, first, middle):  
2. Date: 8-19-88

3. Class Title: Accounting Manager B

5. Working Title II Different:

7. Work Location (County or City and Location Code): 

9. Position Number:

PART II: POSITION INFORMATION

11. State the chief objective of your position in a brief statement:

Under the general guidance of the Facility Administrative C, but with considerable latitude allowed for exercising judgement, discretion and independent action the incumbent plans, coordinates, directs and reviews the financial, regional computer services, procurement and materials management, communication and mail services for Southside Virginia Training Center, Central State Hospital and Eiram W. Davis Medical Center.

12. Prior to filling out the next section, think about the tasks and duties that you perform in your position.

Consider the time you spend on the tasks and duties, how important they are to achieving the objective of your position, and the processes or ways in which you perform these tasks and duties. After considering these aspects of your position, state the tasks and duties that you perform in your position on page 2 of this form.

- State the most important duty first and finish with the least important duty of your position.
- Calculate the percent that each duty requires of your total working time. Be sure these percentages total 100%.
- Include all tasks, duties and functions that you perform except those that occupy 2% or less time, unless you consider them very important.

<table>
<thead>
<tr>
<th>Percent of Total Working Time</th>
<th>Work Tasks and Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>Under the general supervision of the MH/MH Facility Administrative C and through the supervision of subordinate department heads, plans, directs, coordinates and controls the administrative functions of financial services, procurement and materials management, computer services, communications and mail services.</td>
</tr>
<tr>
<td>20</td>
<td>Serves as advisor, liaison and consultant to the Southside Campus concerning administrative operations under the position. Interprets and provides guidance as to the procedures and guidelines received from the Department of Accounts, Department of Planning and Budget, Department of Purchase and Supply, additional higher authorities and statutory regulations. Directs the preparation of all appropriation and allotment requests and coordinates submission to senior level of authority for approval and processing through MH/MH Central Office, Department of Planning and Budget and Department of Accounts.</td>
</tr>
</tbody>
</table>
APPENDIX 3C

5
Reviews, approves and signs all purchasing actions/expenditures for those administrative areas under the position's direction in accordance with established agency/State policies and procedures.

5
Assists HU/OS Facility Administrative C with development of short range immediate and long range operational goals and objectives so that sufficient justification and legislative support can be generated to assure continued adequate funding.

5
Serves as the primary approving authority for Petty cash disbursements on behalf of the Southside Campus agencies. In addition, serves as a signatory for drafts (checks drawn on local funds) for Central State Hospital and Hiram W. Davis Medical Center.

5
Participates in the formulation of administrative policies and instruction for Financial Services, Procurement and Materials Mgt., Computer Services, Communications and Mail Services to ensure that through proper controls compliance with accepted practices and procedures is accomplished and maintained.

5
Performs other duties as required.

100%
(Add Additional Pages if Needed)

13. What work actions and/or decisions do you make without prior approval? To what extent do you receive advice and guidance from your supervisor? State examples of the type of supervisory advice and guidance that you receive as well as actions or decisions you make without prior approval.

Work actions/decisions involving the day to day functions of the various departments are performed without prior approval.

Guidance is received from supervision in those situations which may be unique or require higher level approval.

14. List and explain the contacts you have, if any, both within and outside the State Government, as a routine function of your work. Do not list contacts with supervisors, co-workers, and subordinates.

<table>
<thead>
<tr>
<th>Persons or Organizations</th>
<th>Purpose</th>
<th>How Often</th>
<th>Inside/Outside Virginia Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHS/HR Central Office</td>
<td>Central Office numerous items relative to our agency</td>
<td>as needed</td>
<td>inside</td>
</tr>
<tr>
<td>Southside Campus</td>
<td>contact is usually with the director, assistant or associate director admin., or other upper level mgmt. personnel</td>
<td>as needed</td>
<td>inside</td>
</tr>
<tr>
<td>DFS</td>
<td>budget concerns relative to complex agencies</td>
<td>as needed</td>
<td>inside</td>
</tr>
<tr>
<td>DOA</td>
<td>any fiscal matter involving the complex agencies and DOA</td>
<td>as needed</td>
<td>inside</td>
</tr>
<tr>
<td>APA/DMHCIG</td>
<td>during audit reviews of the complex agencies</td>
<td>as needed</td>
<td>inside</td>
</tr>
</tbody>
</table>

(Additional comments by employees)
APPENDIX 3C

PART III: TO BE COMPLETED BY THE SUPERVISOR

15. Please review the employee’s statements and comments for this position to ensure their completeness. State any additions, and/or revisions.

16. What is the most important service or product you expect of the position described in this questionnaire? Explain.

17. List the class titles, position numbers, and names of other employees under your direct supervision that have the same duties and responsibilities as this position:

<table>
<thead>
<tr>
<th>Class Title</th>
<th>Position Number</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

18. List what you consider to be the qualifications for entry into this position:

A. What knowledge, skills, and abilities should a new employee bring to this position?

Considerable knowledge of generally accepted accounting principles and practices. Considerable knowledge of fiscal and accounting functions and operations. Demonstrated ability to supervise a professional staff engaged in all aspects of the agency fiscal, accounting and budgetary operations. Demonstrated ability to supervise professional accounts involved in one or more complex accounting functions. Demonstrated ability to apply, adapt, develop and implement accounting policies and procedures. Ability to assemble,

B. Special licenses, registration or certification:

analyze and prepare reports and financial statements covering complex financial data.

C. Education or training (date major area of study):

graduation from a college or university with major studies in accounting or related curriculum.

D. Level and type of experience:

Experience in supervising a staff of professional accounts. Professional level training and experience.

PART IV: SIGNATURE LINES

19. We understand the above statements, and they are complete to the best of our knowledge.

[Signature]

Date

[Signature]

Date

20. Attach an organization chart showing this employee’s position within your organizational unit.
APPENDIX 3A: Monthly report format

TOWN OF BLACKSBURG

MEMORANDUM

TO: Ron Secrist, Town Manager
FROM: Doug Ecket, Economic Development Coordinator
DATE: November 14, 1989
SUBJECT: Economic Development Coordinator’s Report for October.

I worked on the following specific activities during the month of October:

1. Business Contact and Retention

   A. Existing Business Contact Program - On a visit to the Farmers’ Market at Gables last month, I found out that the farmers’ association is considering moving to the Market Place. After discussing the situation with you and others on Town staff, I extended an offer to Tom Phelps, the market coordinator, to move the market to the Gates Parking Lot downtown on Fridays and Saturdays. He was very excited about the offer, but I believe many of the farmers feel very strongly about moving to the higher traffic location. I am still waiting to hear their decision.

   I visited with the Lowes Foods Manager after hearing that they were closing in November. Lowes is having some company-wide financial difficulties and is closing about 20 out of 70 stores throughout the southeast. While this store was only marginally profitable, the manager believed it was still holding its own. I have been contacted by the owner of Lowes Village, Tom Guilfoy, who lives in Seattle. He and his leasing agents (Lawson Associates from Roanoke) will meet with me next week to review the retail leasing situation in Blacksburg. I included data on Lowes Village in the packet we recently sent out to prospective retailers.

   I have been meeting with the new marketing and leasing group for University Mall, Rubin & Co., which has taken over these functions from National Property Analysts. Rubin has hired a new marketing manager, Sharon Morgan, who will be responsible for only University Mall and will be housed on-site. This is extremely good news, given NPA’s inconsistency over the past 3 years. This will make it a lot easier to work with businesses in the Mall.

   Our meeting with Bob Fraraccio of Montgomery Regional Hospital resulted in a project to develop a promotional video tape containing information on the Town for his use in recruiting new medical staff. Sandra and I had a follow-up meeting with Bob, and she has already started on the project. I feel this tape will be useful for many people, including local real estate representatives, University administrators, etc.
APPENDIX 3A

B. Business Relations Advisory Committee - The Committee discussed three different topics at their November meeting. We reviewed the materials I have put together for potential retail prospects, and discussed my direct mail contact program for recruiting new retailers to the Town. We also discussed the strategy I am pursuing to market the New River Valley region to travellers and tourists, working with the Chambers to produce a regional directory of attractions and events. All efforts received the group’s support.

C. Downtown Development - The biggest news here is the possible relocation of the Farmers’ Market discussed above. I have been keeping the Downtown Merchants up-to-date on the plans to build an outdoor performance space/park in the Armory Parking Lot.

2. Business Recruitment and Development

A. Retail/Service Recruitment - This week we are sending out a complete package of retail leasing information on Blacksburg to over 130 selected retailers interested in expanding in Virginia or the Southeast. We will follow up with phone contacts over the next two months.

B. Small Business Development - The student research group which is surveying Downtown Blacksburg shopper characteristics has finished their interviews and will be reporting on their findings sometime later this month. We will use the research to develop a marketing plan for a SHOP BLACKSBURG campaign.

We had 8 participants in our “How to Operate a Profitable Restaurant” seminar on October 17.

C. Retiree Recruitment - We have finished the pilot portion of the Retirement Marketing Program. We received over 200 inquiries from our advertising, and will be surveying the investors in the program to determine what steps should be taken now to continue marketing the area.

D. Industrial Recruitment - October was a very busy month for industrial prospects. I worked with Don Moore on a major electronics prospect interested in a Blacksburg location. Public Works helped us with detailed cost estimates for developing a site in the Blacksburg Industrial Site. The County is still developing the construction program for the shell building.

3. Tourism/Special Events

Our Ad-hoc group, containing representatives from all of the New River Valley Chambers, discussed renewing regional travel promotional efforts, including a Travel New River Directory for the 1990 travel season. I am preparing an RFP to develop these materials. The Directory would be supported by advertising revenue.

I am working with John Rassor of the Virginia Tech Music Department to form a design programming committee to discuss aspects of the facility we are planning for the Armory Parking Lot. I think this group will get together in January.

4. General Meetings

I attended the following meetings in October: the Downtown Merchants Association, the Joint Economic Development Committee of the Chambers, and the hearing of the State Corporation Commission on Blacksburg Greyhound service. I attended with Adele Schimer the meeting of the businesses along South Main, and the Transit Advisory Committee meeting to discuss bus service to Christiansburg.
Blacksburg Fire Department
2700 PRICE'S FORK ROAD BLACKSBURG, VIRGINIA 24060
(703) 961-1175 EMERGENCY DIAL 911

Fire Department calls for the Month of October, 1989.

Fire Department calls totalled: 77 emergency, 5 standby and service calls.

<table>
<thead>
<tr>
<th>Location</th>
<th>Type and Damage Estimate</th>
<th>Jurisdiction Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town of Blacksburg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structure</td>
<td>(No. 5) $ 550</td>
<td></td>
</tr>
<tr>
<td>Vehicle Fire</td>
<td>(No. 2) $ 900</td>
<td></td>
</tr>
<tr>
<td>Trailer</td>
<td>(No. ) $</td>
<td></td>
</tr>
<tr>
<td>Vehicle Accident</td>
<td>(No. 15) $</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(No. 13) $</td>
<td></td>
</tr>
<tr>
<td>Montgomery County</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structure</td>
<td>(No. 3 ) $ 4,500</td>
<td>(No. 35) $ 1,450</td>
</tr>
<tr>
<td>Vehicle Fire</td>
<td>(No. 1 ) $ 2,200</td>
<td></td>
</tr>
<tr>
<td>Trailer</td>
<td>(No. 1 ) $ 6,000</td>
<td></td>
</tr>
<tr>
<td>Vehicle Accident</td>
<td>(No. 5 ) $</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(No. 6 ) $</td>
<td></td>
</tr>
<tr>
<td>VPI &amp; SU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structure</td>
<td>(No. ) $</td>
<td></td>
</tr>
<tr>
<td>Vehicle Fire</td>
<td>(No. ) $</td>
<td></td>
</tr>
<tr>
<td>Trailer</td>
<td>(No. ) $</td>
<td></td>
</tr>
<tr>
<td>Vehicle Accident</td>
<td>(No. 26 ) $</td>
<td>(No. 26 ) $</td>
</tr>
<tr>
<td>Other</td>
<td>(No. ) $</td>
<td></td>
</tr>
<tr>
<td>TOTALS</td>
<td>(No. 77 ) $ 14,150</td>
<td></td>
</tr>
</tbody>
</table>

SPECIAL EXPLANATIONS/COMMENTS:

RECAP OF V.P.I. CALLS:

21 - False Dorm Calls

1 - Pritchard, Malicious False, Trash Can Fire

1 - Major Williams, Malicious False, Trash Can Fire

1 - Fenoyer - False

1 - Corporate Research Center - False

1 - Jameson - False

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APPENDIX 3A

SPECIAL EXPLANATIONS/COMMENTS:

RECAP OF MAJOR FIRES:

Structure Fire - Pineview Trailer Park - Estimated Loss, $6,000
(Lot #30)

Fire Department Manhours Totalled: 122.28
Recorded By: K. Daniels Date: 11-15-89

Blacksburg Fire Department
2700 PRICE'S FORK ROAD BLACKSBURG, VIRGINIA 24050
(703) 961-1175 EMERGENCY DIAL 911

The Blacksburg Volunteer Fire Department answered a total of
82 calls in the month of October 1989.

Breakdown of Calls:

FIRE ....... 77             STANDBY OR SERVICE CALLS...... 5
Location:
Town .......... 35
County .......... 16
VPI & SU ...... 26
Outside County.

Manhours: Fire Calls 111.28 Standby or Service Calls 11 TOTAL = 122.28

Total miles driven .......... 4,632.4
Total Manhours .......... 122.28

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APPENDIX 3A

BLACKSBURG PLANNING DEPARTMENT

OCTOBER 1989 - MONTHLY REPORT

I. MAJOR ACCOMPLISHMENTS AND PROJECTS UNDERWAY OR COMPLETED

- **Bikeway/Sidewalk Committee** - The committee met twice during October to discuss maintenance issues and issues pertinent to bicycling. A Bicycle Forum is scheduled for November 9, 7-9 p.m., Community Center.

- **Hethwood II PDR Submittal** - Staff worked with Town Council on a work session in October. Final action (approval) was taken at October 24 Town Council meeting.

- **Comprehensive Plan** - Long-Range Planning Committee finished reviewing draft goals and objectives. Staff compiled results into a report which was distributed to the Commission.

- **Zoning Ordinance Task Force** - This committee met four times in October and continued review of landscaping and location of parking issues. Target date for recommendation to Planning Commission has been scheduled for December.

- **Planner I Position** - Interviews were scheduled in October. Roger Hunt was hired for this position and will start on November 6.

II. ADDITIONAL ACTIVITIES

1. Presentation to students from Appalachian State Univ. - 1 staff
2. Planning Commission Training Session - 4 staff
3. Rural Planning Caucus Executive Board Meeting - 1 staff
4. American Society Civil Engineers, Student Chapter - 1 staff
5. VDOT Bicycle Advisory Committee - 1 staff
6. McDonald's Special Use Permit Neighborhood Meeting - 1 staff
7. Otey Street Neighborhood Meeting - 1 staff
8. 460/114 Corridor Landowners Meeting - 1 staff
9. New River Valley Planners Dinner Meeting - 4 staff
10. Presentation to VA Citizens Planning Assoc. - 1 staff
11. VDOT Bicycle Safety Conference - 1 staff

III. REVIEW OF BUDGET

<table>
<thead>
<tr>
<th>Month Ending</th>
<th>Total Budget</th>
<th>Amount Expended</th>
<th>Percent Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 1988</td>
<td>$189,023</td>
<td>$47,634</td>
<td>25.2</td>
</tr>
<tr>
<td>September 1989</td>
<td>$237,021</td>
<td>$46,622</td>
<td>21.0</td>
</tr>
</tbody>
</table>

374
IV. ORDINANCE SUMMARY

| Code Enforcement     | Number of Investigations | | Number Resolved | | |
|----------------------|--------------------------|---|----------------|---|
| Zoning               | 8  | 0  | 0  | 0  |
| Signs                | 9  | 17 | 3  | 14 |
| Sight Obstruction    | 0  | 0  | 1  | 0  |
| Mobile Homes         | 1  | 0  | 0  | 0  |

Request of the Zoning Ordinance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Appeals Acted On</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Variances Acted On</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Text Amendments Acted On</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Special Use Permits Acted On</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Rezonings Acted On</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

Development Analysis

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Plans Acted On</td>
<td>2</td>
<td>4*</td>
</tr>
<tr>
<td>Subdivisions Acted On</td>
<td>1</td>
<td>0**</td>
</tr>
</tbody>
</table>

* Site Plans acted on in October.

1. College Park Site Plan - 180 apartments on Patrick Henry Drive in Shenandoah PDR.
2. Taco Bell Site Plan - Conversion of Arby's on North Main Street.

** Subdivision Plats acted on in October.

None
## APPENDIX 3B: Forms for spending plan

### SAMPLE FORM 8

**Priority "Delete" Programs/Services**

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>FUND</th>
<th>ALLOCATION UNIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport</td>
<td>Airport</td>
<td>20-99999</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Administration</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Priority</th>
<th>Account Number</th>
<th>Description</th>
<th>Amount Expenditure Reduced by Deleting Item</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>20-99999-1006</td>
<td>Eliminate vacant Clerk-Typist position</td>
<td>$5,713</td>
</tr>
<tr>
<td></td>
<td>2001</td>
<td>Salary</td>
<td>429</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>Unemployment</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>Workmen's Comp.</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>Gift Certificate</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL - - -</td>
<td>$6,181</td>
</tr>
</tbody>
</table>

**Impact on Level of Services**

The elimination of this position will have a moderate to significant impact on the ability of the department to process correspondence and to prepare timely monthly reports of operations. Also, it will make it harder to "cover" the office (phone answering, serving walk-in customers, etc.) at times when other personnel must be working outside of the office.
### PRIORITY "ADD" PROGRAMS/SERVICES

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>FUND</th>
<th>ALLOCATION UNIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>General</td>
<td>02-08101 Long Range Planning</td>
</tr>
</tbody>
</table>

#### Appropriation Request FY91

<table>
<thead>
<tr>
<th>Priority</th>
<th>Account Number</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>02-08101-1000</td>
<td>Create new Senior Planner position to perform long range planning</td>
<td>$24,912</td>
</tr>
<tr>
<td></td>
<td>2001</td>
<td>Salary</td>
<td>$1,888</td>
</tr>
<tr>
<td></td>
<td>2002</td>
<td>FICA</td>
<td>$2,389</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>Health Insurance</td>
<td>$1,520</td>
</tr>
<tr>
<td></td>
<td>2006</td>
<td>Group Life Insurance</td>
<td>$189</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>Unemployment Comp.</td>
<td>$7</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>Workmens’ Comp.</td>
<td>$1,281</td>
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<tr>
<td></td>
<td>2014</td>
<td>Gift Certificate</td>
<td>$25</td>
</tr>
</tbody>
</table>

Sub Total - Salary and Benefits: $32,211

|          | 5203             | Telecommunications                               | $724     |
|          | 5500             | Travel/Training                                  | $500     |
|          | 5801             | Dues/Association Memberships                      | $115     |
|          | 7002             | Office Equipment                                 | $1,100   |
|          | 7007             | Personal Computer/Software Accessories            | $2,200   |

Sub Total - Non Personnel Items: $4,639

TOTAL - Priority 1: $36,850

#### Impact on Level of Services

Creation of this position will enable the Planning Department to establish a long range planning "division" with emphasis upon comprehensive plan updating, transportation planning, zoning and subdivision ordinance revisions, etc.
## APPENDIX 3B

### FORM 3
**DETAILED EXPENDITURE DESCRIPTION**

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>FUND</th>
<th>ALLOCATION UNIT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number</td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Account Name</th>
<th>Item Description</th>
<th>Unit Cost</th>
<th>Number of Units</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
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<td></td>
</tr>
<tr>
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<td></td>
</tr>
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<td>4</td>
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<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

378
# Appendix 3C

## Review of General Fund Expenditures

<table>
<thead>
<tr>
<th>Department</th>
<th>Budget Appropriation</th>
<th>Expended/Encumbered thru 03/31/89</th>
<th>Remaining Balance</th>
<th>Percent Current Year</th>
<th>Percent Previous Year</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking Meters &amp; Lots</td>
<td>550</td>
<td>349</td>
<td>201</td>
<td>65.5%</td>
<td>14.2%</td>
<td>49.3%</td>
</tr>
<tr>
<td>Traffic Engineering</td>
<td>143,458</td>
<td>119,884</td>
<td>45,554</td>
<td>73.4%</td>
<td>75.2%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Street &amp; Road Cleaning</td>
<td>10,282</td>
<td>7,755</td>
<td>2,527</td>
<td>75.4%</td>
<td>73.9%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Refuse Collection</td>
<td>230,000</td>
<td>145,303</td>
<td>84,697</td>
<td>63.2%</td>
<td>57.5%</td>
<td>5.7%</td>
</tr>
<tr>
<td>General Properties</td>
<td>677,276</td>
<td>451,029</td>
<td>176,247</td>
<td>71.7%</td>
<td>74.4%</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Cemetery</td>
<td>12,024</td>
<td>5,747</td>
<td>6,077</td>
<td>49.3%</td>
<td>55.7%</td>
<td>-6.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,155,850</td>
<td>1,499,784</td>
<td>656,066</td>
<td>69.6%</td>
<td>69.7%</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

## Recreation:

<table>
<thead>
<tr>
<th>Subdepartment</th>
<th>Budget Appropriation</th>
<th>Expended/Encumbered thru 03/31/89</th>
<th>Remaining Balance</th>
<th>Percent Current Year</th>
<th>Percent Previous Year</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>275,615</td>
<td>202,964</td>
<td>70,651</td>
<td>74.2%</td>
<td>73.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Rec Centers/Playgrounds</td>
<td>53,567</td>
<td>39,313</td>
<td>14,254</td>
<td>73.4%</td>
<td>72.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Swimming Pool</td>
<td>16,206</td>
<td>8,506</td>
<td>7,700</td>
<td>52.5%</td>
<td>63.2%</td>
<td>-10.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>343,388</td>
<td>250,783</td>
<td>92,605</td>
<td>73.0%</td>
<td>72.5%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

## Planning, Zoning and Economic Development:

<table>
<thead>
<tr>
<th>Subdepartment</th>
<th>Budget Appropriation</th>
<th>Expended/Encumbered thru 03/31/89</th>
<th>Remaining Balance</th>
<th>Percent Current Year</th>
<th>Percent Previous Year</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>189,023</td>
<td>134,445</td>
<td>54,578</td>
<td>71.1%</td>
<td>71.2%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Economic Development</td>
<td>63,361</td>
<td>43,240</td>
<td>20,121</td>
<td>68.2%</td>
<td>53.2%</td>
<td>15.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>252,384</td>
<td>177,685</td>
<td>74,699</td>
<td>74.0%</td>
<td>65.4%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

## Unallocated Funds:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget Appropriation</th>
<th>Expended/Encumbered thru 03/31/89</th>
<th>Remaining Balance</th>
<th>Percent Current Year</th>
<th>Percent Previous Year</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>73,400</td>
<td>50,773</td>
<td>22,627</td>
<td>69.2%</td>
<td>86.0%</td>
<td>-16.8%</td>
</tr>
<tr>
<td>General Fund Contingency</td>
<td>10,000</td>
<td>0</td>
<td>10,000</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Safety Program Committee</td>
<td>6,333</td>
<td>8,730</td>
<td>- (375)</td>
<td>104.7%</td>
<td>82.4%</td>
<td>22.3%</td>
</tr>
<tr>
<td>Gen Fund Performance Pay</td>
<td>10,753</td>
<td>690</td>
<td>10,063</td>
<td>6.4%</td>
<td>13.8%</td>
<td>-7.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>102,498</td>
<td>60,193</td>
<td>42,205</td>
<td>58.7%</td>
<td>31.2%</td>
<td>27.5%</td>
</tr>
</tbody>
</table>

## Debt Services:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget Appropriation</th>
<th>Expended/Encumbered thru 03/31/89</th>
<th>Remaining Balance</th>
<th>Percent Current Year</th>
<th>Percent Previous Year</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Services</td>
<td>463,705</td>
<td>119,276</td>
<td>444,429</td>
<td>18.0%</td>
<td>19.2%</td>
<td>-1.2%</td>
</tr>
</tbody>
</table>

## Gen Fund Capital Improvement:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget Appropriation</th>
<th>Expended/Encumbered thru 03/31/89</th>
<th>Remaining Balance</th>
<th>Percent Current Year</th>
<th>Percent Previous Year</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Fund Capital Improvement</td>
<td>634,729</td>
<td>445,092</td>
<td>189,633</td>
<td>70.1%</td>
<td>22.7%</td>
<td>47.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>97,433,402</td>
<td>94,834,674</td>
<td>2,598,728</td>
<td>65.0%</td>
<td>59.0%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

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APPENDIX 3C: Quarterly Review report

## REVIEW OF GENERAL FUND EXPENDITURES

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>-- Budget Appropriation</th>
<th>Expended/to 03/31/89</th>
<th>Remaining Balance</th>
<th>Percent Current Year</th>
<th>Percent Previous Year</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town Council</td>
<td>72,750</td>
<td>58,142</td>
<td>14,608</td>
<td>79.9%</td>
<td>53.8%</td>
<td>26.1%</td>
</tr>
<tr>
<td>Clerk of Council</td>
<td>35,867</td>
<td>24,258</td>
<td>11,609</td>
<td>67.6%</td>
<td>69.8%</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Executive:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town Manager</td>
<td>117,621</td>
<td>72,662</td>
<td>44,959</td>
<td>61.8%</td>
<td>74.6%</td>
<td>-12.8%</td>
</tr>
<tr>
<td>Asst Town Manager</td>
<td>96,917</td>
<td>52,454</td>
<td>44,463</td>
<td>54.1%</td>
<td>75.1%</td>
<td>-21.0%</td>
</tr>
<tr>
<td>Customer Relations</td>
<td>91,512</td>
<td>75,423</td>
<td>16,089</td>
<td>82.4%</td>
<td>77.7%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Legal:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town Attorney</td>
<td>96,290</td>
<td>68,591</td>
<td>27,699</td>
<td>71.2%</td>
<td>73.4%</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Finance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>64,743</td>
<td>43,479</td>
<td>21,264</td>
<td>67.2%</td>
<td>72.3%</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Independent Audit</td>
<td>10,000</td>
<td>10,500</td>
<td>500</td>
<td>97.2%</td>
<td>100.0%</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Accounting</td>
<td>168,313</td>
<td>108,188</td>
<td>60,125</td>
<td>64.3%</td>
<td>69.3%</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Data Processing</td>
<td>100,715</td>
<td>46,400</td>
<td>54,315</td>
<td>46.1%</td>
<td>66.1%</td>
<td>-20.0%</td>
</tr>
<tr>
<td>Purchasing</td>
<td>64,511</td>
<td>43,971</td>
<td>18,940</td>
<td>70.6%</td>
<td>73.6%</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Total</td>
<td>409,002</td>
<td>254,518</td>
<td>154,564</td>
<td>62.2%</td>
<td>70.8%</td>
<td>-8.6%</td>
</tr>
<tr>
<td>Judicial:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General District Court</td>
<td>4,398</td>
<td>3,188</td>
<td>1,210</td>
<td>72.5%</td>
<td>65.6%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Police:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief</td>
<td>110,211</td>
<td>81,939</td>
<td>28,282</td>
<td>74.3%</td>
<td>75.7%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Services</td>
<td>505,846</td>
<td>349,303</td>
<td>156,543</td>
<td>69.1%</td>
<td>66.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Operations</td>
<td>1,469,648</td>
<td>1,076,639</td>
<td>393,019</td>
<td>72.9%</td>
<td>72.1%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Total</td>
<td>2,085,773</td>
<td>1,502,161</td>
<td>583,614</td>
<td>72.0%</td>
<td>70.9%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Fire:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volunteer Fire Dept</td>
<td>114,667</td>
<td>62,775</td>
<td>51,942</td>
<td>54.8%</td>
<td>66.3%</td>
<td>-11.7%</td>
</tr>
<tr>
<td>Volunteer Rescue Dept</td>
<td>108,987</td>
<td>78,121</td>
<td>30,866</td>
<td>71.7%</td>
<td>65.4%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Fire/Rescue Bld Combine</td>
<td>47,206</td>
<td>29,568</td>
<td>17,638</td>
<td>62.6%</td>
<td>62.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Total</td>
<td>270,860</td>
<td>170,464</td>
<td>100,406</td>
<td>63.0%</td>
<td>65.2%</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Public Works:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Engineering</td>
<td>328,409</td>
<td>229,715</td>
<td>98,774</td>
<td>69.7%</td>
<td>75.3%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Inspections</td>
<td>50,221</td>
<td>37,132</td>
<td>13,089</td>
<td>75.9%</td>
<td>72.0%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Highways-Str-Brgs-Sdwls</td>
<td>598,041</td>
<td>418,417</td>
<td>180,624</td>
<td>69.7%</td>
<td>70.9%</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Storm Drainage</td>
<td>16,090</td>
<td>11,194</td>
<td>4,896</td>
<td>69.6%</td>
<td>73.3%</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Street Lights</td>
<td>57,741</td>
<td>29,934</td>
<td>27,807</td>
<td>51.8%</td>
<td>53.9%</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Snow &amp; Ice Removal</td>
<td>60,098</td>
<td>45,125</td>
<td>17,773</td>
<td>70.8%</td>
<td>95.7%</td>
<td>-24.9%</td>
</tr>
</tbody>
</table>

(Continued)
### APPENDIX 3C

#### REVIEW OF GENERAL FUND REVENUE

<table>
<thead>
<tr>
<th>Nine Months Ending</th>
<th>Increase (Decrease)</th>
<th>Original Budget Projection</th>
<th>Revised Budget Projection</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/31/89</td>
<td>03/31/88</td>
<td>Amount</td>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Local taxes, licenses, and permits:**

<table>
<thead>
<tr>
<th>Revenue Item</th>
<th>Original Amount</th>
<th>Revised Amount</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Taxes</td>
<td>$2,081,456</td>
<td>$2,264,503</td>
<td>$183,047</td>
</tr>
<tr>
<td>Utility Taxes</td>
<td>$1,040,838</td>
<td>$1,093,183</td>
<td>$52,345</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$1,861,818</td>
<td>$1,913,003</td>
<td>$51,185</td>
</tr>
<tr>
<td>Meals Tax</td>
<td>$1,226,667</td>
<td>$1,262,436</td>
<td>$35,769</td>
</tr>
<tr>
<td>Transient Occupancy</td>
<td>$44,864</td>
<td>$42,520</td>
<td>($2,344)</td>
</tr>
<tr>
<td>Bank Franchise</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Building Permits</td>
<td>$60,661</td>
<td>$68,187</td>
<td>$7,526</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>$31,116</td>
<td>$39,620</td>
<td>$8,494</td>
</tr>
<tr>
<td>Total</td>
<td>$4,313,491</td>
<td>$4,328,647</td>
<td>$15,156</td>
</tr>
</tbody>
</table>

**Intergovernmental Revenue:**

<table>
<thead>
<tr>
<th>Revenue Item</th>
<th>Original Amount</th>
<th>Revised Amount</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway Maintenance</td>
<td>$591,404</td>
<td>$603,100</td>
<td>$11,696</td>
</tr>
<tr>
<td>Police Reimbursement</td>
<td>$307,462</td>
<td>$310,242</td>
<td>$2,780</td>
</tr>
<tr>
<td>ARC Profits</td>
<td>$73,945</td>
<td>$73,945</td>
<td>0</td>
</tr>
<tr>
<td>Mine Tax</td>
<td>$28,336</td>
<td>$29,242</td>
<td>$9,886</td>
</tr>
<tr>
<td>Litter control</td>
<td>$859</td>
<td>$859</td>
<td>0</td>
</tr>
<tr>
<td>Fire Program</td>
<td>$29,063</td>
<td>$29,961</td>
<td>$998</td>
</tr>
<tr>
<td>Selective Enforcement</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$1,051,159</td>
<td>$1,079,734</td>
<td>$28,575</td>
</tr>
</tbody>
</table>

**Charges for Services:**

<table>
<thead>
<tr>
<th>Service</th>
<th>Original Amount</th>
<th>Revised Amount</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Gen./Rec. Properties</td>
<td>$68,083</td>
<td>$71,483</td>
<td>$3,400</td>
</tr>
<tr>
<td>Va Tech Electric 5%</td>
<td>$177,673</td>
<td>$181,097</td>
<td>$3,424</td>
</tr>
<tr>
<td>Parking Meter</td>
<td>$16,374</td>
<td>$16,187</td>
<td>($187)</td>
</tr>
<tr>
<td>Fire Protection Services</td>
<td>$23,156</td>
<td>$23,150</td>
<td>($6)</td>
</tr>
<tr>
<td>False Fire Alarms</td>
<td>$17,250</td>
<td>$17,250</td>
<td>0</td>
</tr>
<tr>
<td>Refuse</td>
<td>$136,501</td>
<td>$136,501</td>
<td>0</td>
</tr>
<tr>
<td>Recreation Fees/Seating Po</td>
<td>$34,014</td>
<td>$34,014</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$514,481</td>
<td>$523,571</td>
<td>$9,090</td>
</tr>
</tbody>
</table>

**Fines and Forfeits:**

<table>
<thead>
<tr>
<th>Forfeiture</th>
<th>Original Amount</th>
<th>Revised Amount</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Court Fines</td>
<td>$37,671</td>
<td>$37,671</td>
<td>0</td>
</tr>
<tr>
<td>Parking/Traffic Fines</td>
<td>$35,574</td>
<td>$35,574</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$73,245</td>
<td>$73,245</td>
<td>0</td>
</tr>
</tbody>
</table>

**Interest Earnings:**

<table>
<thead>
<tr>
<th>Interest Income</th>
<th>Original Amount</th>
<th>Revised Amount</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Earnings</td>
<td>$75,181</td>
<td>$75,181</td>
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</tbody>
</table>

**Other:**

<table>
<thead>
<tr>
<th>Revenue Item</th>
<th>Original Amount</th>
<th>Revised Amount</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interfund Transfers</td>
<td>$276,661</td>
<td>$276,661</td>
<td>0</td>
</tr>
<tr>
<td>Other Miscellaneous Revenue</td>
<td>$105,986</td>
<td>$105,986</td>
<td>0</td>
</tr>
<tr>
<td>Sale of Land/Buildings</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Fire/Court Capital Contrib</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$382,657</td>
<td>$382,657</td>
<td>0</td>
</tr>
</tbody>
</table>

**TOTAL GENERAL FUND** | $4,313,144 | $4,328,647 | $15,503 |

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**APPENDIX 3C END**
GENERAL LEOwER DETAIL

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### Table: Office Furniture and Equipment

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Cost 2023</th>
<th>Cost 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modular Furniture</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td>Office Furniture and Equipment</td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td>Office Microwaves</td>
<td>$50</td>
<td>$50</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>$500</td>
<td>$500</td>
</tr>
<tr>
<td>Vehicle Maintenance Equipment</td>
<td>$300</td>
<td>$300</td>
</tr>
<tr>
<td>Civil Engineering Equipment</td>
<td>$300</td>
<td>$300</td>
</tr>
<tr>
<td>APP Equipment</td>
<td>$500</td>
<td>$500</td>
</tr>
</tbody>
</table>

### Proposed Changes

- **Title**: Project Cost and Benefit Proposal
- **Shortfall**: Proposed
- **11/16/28 Page 50**

### APPENDIX Z: Programming Report
### APPENDIX 4A: Budget Transfer form

**TOWN OF BLACKSBURG**  
Finance Department

Intra-Departmental Budget Transfers  
(For Expenditure Accounts Only)

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Increased (Debit)</th>
<th>Decreased (Credit)</th>
<th>Account Description/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTALS**

Explanation of need for transfer:

Prepared by ___________________________  
Approved by ___________________________  
Dept. Head ___________________________  
Date ___________________________

Preliminary Review - Finance Dept.

Name ___________________________  
Date ___________________________

Final Approval ___________________________

For Finance Dept. Use Only

Adjustment No. ___________________________  
Date ___________________________

Processed by ___________________________  
Date ___________________________

Town Manager ___________________________  
Date ___________________________

384
APPENDIX 4B: Monthly financial report

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/13/99</td>
<td>Payroll Distribution</td>
<td>190.20</td>
</tr>
<tr>
<td>11/13/99</td>
<td>Payroll Distribution</td>
<td>410.40</td>
</tr>
<tr>
<td>10/19/99</td>
<td>Payroll Distribution</td>
<td>664.40</td>
</tr>
<tr>
<td>10/19/99</td>
<td>Payroll Distribution</td>
<td>444.80</td>
</tr>
<tr>
<td>10/19/99</td>
<td>Payroll Distribution</td>
<td>521.37</td>
</tr>
<tr>
<td>10/19/99</td>
<td>Payroll Distribution</td>
<td>477.32</td>
</tr>
<tr>
<td>10/03/99</td>
<td>AP Canada Life</td>
<td>44.06</td>
</tr>
<tr>
<td>10/03/99</td>
<td>Payroll Distribution</td>
<td>46.06</td>
</tr>
<tr>
<td>10/03/99</td>
<td>Payroll Distribution</td>
<td>14.17</td>
</tr>
<tr>
<td>10/03/99</td>
<td>AP Church, Lumsford Sons &amp; Assoc.</td>
<td>9.00</td>
</tr>
<tr>
<td>10/24/99</td>
<td>C &amp; P Telephone Co Cash Report</td>
<td>182.64</td>
</tr>
<tr>
<td>10/24/99</td>
<td>Stock Requisitions</td>
<td>34.00</td>
</tr>
<tr>
<td>10/24/99</td>
<td>Stock Requisitions</td>
<td>17.50</td>
</tr>
<tr>
<td>10/24/99</td>
<td>New River Office Supply</td>
<td>10.00</td>
</tr>
<tr>
<td>10/24/99</td>
<td>New River Office Supply</td>
<td>4.00</td>
</tr>
<tr>
<td>10/24/99</td>
<td>New River Office Supply</td>
<td>14.17</td>
</tr>
<tr>
<td>10/24/99</td>
<td>New River Office Supply</td>
<td>183.12</td>
</tr>
<tr>
<td>10/19/99</td>
<td>Stock Requisitions</td>
<td>15.90</td>
</tr>
<tr>
<td>10/19/99</td>
<td>Stock Requisitions</td>
<td>19.00</td>
</tr>
<tr>
<td>10/19/99</td>
<td>Stock Requisitions</td>
<td>513.80</td>
</tr>
<tr>
<td>10/24/99</td>
<td>Stock Requisitions</td>
<td>278.00</td>
</tr>
<tr>
<td>10/24/99</td>
<td>Stock Requisitions</td>
<td>513.80</td>
</tr>
<tr>
<td>ACCOUNT NUMBER</td>
<td>ACCOUNT CODE</td>
<td>DESCRIPTION</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------</td>
<td>-------------</td>
</tr>
<tr>
<td>03601300</td>
<td>ELECTIONS</td>
<td>SALARIES</td>
</tr>
<tr>
<td></td>
<td></td>
<td>OVERTIME</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FICA - EMPLOYER CONTRIBUTION</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SUBTIME HLP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LI - EMPLOYER CONTRIBUTION</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EQUIPMENT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TEMPORARY HLP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>REPAIRS - OFFICE EQUIPMENT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PRINTED FORMS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CAS, OIL, GREASE, ETC</td>
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<tr>
<td></td>
<td></td>
<td>SUPPLIES</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FUEL EXPENSE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TRAVEL EXPENSES</td>
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<tr>
<td></td>
<td></td>
<td>MACHINERY &amp; EQUIPMENT</td>
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<tr>
<td></td>
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<td>PRINTED FORMS</td>
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<td></td>
<td></td>
<td>PORTAGE</td>
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<tr>
<td></td>
<td></td>
<td>TELEPHONE</td>
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<td></td>
<td></td>
<td>TRAINING</td>
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<td></td>
<td></td>
<td>DUES</td>
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<td></td>
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<td>WARRANTIES</td>
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<td></td>
<td></td>
<td>MACHINERY &amp; EQUIPMENT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EQUIPMENT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>RENT OF BUILDING - VOTING</td>
</tr>
<tr>
<td></td>
<td></td>
<td>RENT OF BUILDING - VOTING</td>
</tr>
</tbody>
</table>
APPENDIX 4D: Budget Transfer form

COUNTY OF ROANOKE, VIRGINIA
BUDGET TRANSFERS

TO: Department of Finance
FROM: Department ________________________________

Please transfer the following line-item accounts:

<table>
<thead>
<tr>
<th>ACCOUNT CODE</th>
<th>ACCOUNT DESCRIPTION</th>
<th>INCREASE (DECREASE)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL $ -0-

Reason for Transfer ____________________________________________

Requested By: ____________________________
Department Head ____________________________
Asst. County Administrator ____________________________
Date: ____________________________

Director of Finance Recommendation
Recommendation: ____________________________
Signed: ____________________________

Approval
Yes  □  No  □
Signed: ____________________________
Title: ____________________________
Date: ____________________________

Revised 12/86

387
### Administrative Services

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Annual Operating Plan</th>
<th>Y-T-D Operating Plan</th>
<th>Encumb Amount</th>
<th>Y-T-D Expenditures</th>
<th>Available Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Retirement Contrib.</td>
<td>56,505</td>
<td>3,602.64</td>
<td>19,347.77</td>
<td>0.00</td>
<td>19,347.77</td>
</tr>
<tr>
<td>OASDI-Salaried Employees</td>
<td>30,632</td>
<td>1,077.66</td>
<td>9,927.43</td>
<td>0.00</td>
<td>9,927.43</td>
</tr>
<tr>
<td>OASDI-Uage Employees</td>
<td>2,505</td>
<td>66.21</td>
<td>264.13</td>
<td>0.00</td>
<td>264.13</td>
</tr>
<tr>
<td>Group Insurance</td>
<td>4,069</td>
<td>223.68</td>
<td>1,066.72</td>
<td>0.00</td>
<td>1,066.72</td>
</tr>
<tr>
<td>Medical/Hospital Insurance</td>
<td>81,336</td>
<td>1,667.02</td>
<td>8,776.70</td>
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<td>8,776.70</td>
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<tr>
<td>Employee Benefits</td>
<td>109,014</td>
<td>7,307.21</td>
<td>39,896.75</td>
<td>0.00</td>
<td>39,896.75</td>
</tr>
<tr>
<td>Salaries, Classified</td>
<td>403,720</td>
<td>20,796.06</td>
<td>154,657.70</td>
<td>0.00</td>
<td>154,657.70</td>
</tr>
<tr>
<td>Salaries, Annual Leave Balances</td>
<td>1,093</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Salaries, Sick Leave Balances</td>
<td>174</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Salaries, Plant</td>
<td>404,277</td>
<td>20,796.06</td>
<td>154,657.70</td>
<td>0.00</td>
<td>154,657.70</td>
</tr>
<tr>
<td>Wages, General</td>
<td>36,078</td>
<td>801.67</td>
<td>3,517.03</td>
<td>0.00</td>
<td>3,517.03</td>
</tr>
<tr>
<td>Wages</td>
<td>36,078</td>
<td>801.67</td>
<td>3,517.03</td>
<td>0.00</td>
<td>3,517.03</td>
</tr>
<tr>
<td>Personal Services</td>
<td>546,069</td>
<td>36,906.94</td>
<td>198,071.56</td>
<td>0.00</td>
<td>198,071.56</td>
</tr>
<tr>
<td>Media Services</td>
<td>1,035</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Postal Services</td>
<td>36,450</td>
<td>0.00</td>
<td>18,639.85</td>
<td>0.00</td>
<td>18,639.85</td>
</tr>
<tr>
<td>Printing Services</td>
<td>1,000</td>
<td>1,165.80</td>
<td>1,307.36</td>
<td>0.00</td>
<td>1,307.36</td>
</tr>
<tr>
<td>Telecommunication Services</td>
<td>448,167</td>
<td>28,849.54</td>
<td>118,689.29</td>
<td>0.00</td>
<td>118,689.29</td>
</tr>
<tr>
<td>Communications Services</td>
<td>480,285</td>
<td>29,481.59</td>
<td>120,949.90</td>
<td>0.00</td>
<td>120,949.90</td>
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<td>Organization Memberships</td>
<td>56</td>
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<td>260.00</td>
<td>0.00</td>
<td>260.00</td>
</tr>
<tr>
<td>Publication Subscriptions</td>
<td>590</td>
<td>0.00</td>
<td>262.36</td>
<td>0.00</td>
<td>262.36</td>
</tr>
<tr>
<td>Convention &amp; Educational Services</td>
<td>1,109</td>
<td>107.14</td>
<td>1,349.09</td>
<td>0.00</td>
<td>1,349.09</td>
</tr>
<tr>
<td>Employee Development Services</td>
<td>1,644</td>
<td>107.14</td>
<td>1,891.45</td>
<td>63.20</td>
<td>1,954.65</td>
</tr>
<tr>
<td>Fiscal Services</td>
<td>6,500</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Legal Services</td>
<td>1,000</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Management Services</td>
<td>29,500</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>MRI, Research &amp; Info Services</td>
<td>37,000</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Custodial Services</td>
<td>00</td>
<td>0.00</td>
<td>70.00</td>
<td>0.00</td>
<td>70.00</td>
</tr>
<tr>
<td>Equipment Repair &amp; Maint Services</td>
<td>28,915</td>
<td>0.00</td>
<td>4,700.95</td>
<td>5,691.56</td>
<td>19,400.47</td>
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<tr>
<td>Mechanical Repair &amp; Maint Services</td>
<td>52,500</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Plant Repair &amp; Maint. Services</td>
<td>86,005</td>
<td>0.00</td>
<td>130.00</td>
<td>0.00</td>
<td>130.00</td>
</tr>
<tr>
<td>Vehicle Repair &amp; Maint. Services</td>
<td>00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Repair &amp; Maintenance Services</td>
<td>165,870</td>
<td>0.00</td>
<td>4,916.95</td>
<td>5,691.56</td>
<td>16,468.47</td>
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<tr>
<td>Architectural/Engineering Services</td>
<td>500</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Laundry &amp; Linen Services</td>
<td>200</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>Support Services</td>
<td>700</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>Hardware Maintenance Services</td>
<td>7,500</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>ADP Software Maintenance Services</td>
<td>400</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>ADP Operating Services (DDB)</td>
<td>8,050</td>
<td>0.00</td>
<td>750.00</td>
<td>1,500.00</td>
<td>8,850.00</td>
</tr>
<tr>
<td>ADP Operating Services (Non-State)</td>
<td>00</td>
<td>541.72-</td>
<td>2,233.58-</td>
<td>0.00</td>
<td>2,233.58-</td>
</tr>
</tbody>
</table>
SOUTHSIDE VIRGINIA TRAINING CENTER
QUARTERLY BUDGET REPORT

(1) Date

(2) Quarter Ending 12/31/89

(3) Prepared By

(4) Cost Center

(5) Phone #

(6)

<table>
<thead>
<tr>
<th>1113/41</th>
<th>1125</th>
<th>1200</th>
<th>1300</th>
<th>1400</th>
<th>1500</th>
<th>2200</th>
<th>Total</th>
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<tbody>
<tr>
<td>Straight Line 50% Budget</td>
<td>Expended % of Budget YTD</td>
<td>Variance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

(7) Explanation of Variance:

(8) Request the following budget changes:

<table>
<thead>
<tr>
<th>Sub-Object</th>
<th>Present Budget</th>
<th>Requested Budget</th>
<th>+ -</th>
</tr>
</thead>
</table>

(9) Explanation of requested budget changes:

(10) Projected funding problems:
# APPENDIX 4G: Form 27

## SECTION A: GENERAL INFORMATION

<table>
<thead>
<tr>
<th>OPIS USE ONLY</th>
<th>EXPENSE CATEGORY</th>
<th>CYC NO.</th>
<th>BATCH SPEC.</th>
<th>TRANS TYPE ST.</th>
<th>TOTAL R00S.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**AGENCY**

Southside Virginia Training Center

7 2

**PROGRAM**

Administration & Support Services

4 4

**YEAR**

2 1

**REQUEST NO.**

0 0 3

**DATE**

1 1 0 7 8 9

## SECTION B: APPROPRIATION AND ALLOTMENT ADJUSTMENTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Program Name</th>
<th>Appropriation</th>
<th>Unappropriated</th>
</tr>
</thead>
<tbody>
<tr>
<td>47</td>
<td>Southside Virginia Training Center</td>
<td>16,059</td>
<td>16,059</td>
</tr>
</tbody>
</table>

**TOTAL ADJUSTMENTS**

16,059

**ADJUSTED PROGRAM BALANCES**

16,059

## SECTION C: OPERATING PLAN ADJUSTMENTS

<table>
<thead>
<tr>
<th>Subprogram</th>
<th>Amount of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>48</td>
<td>1.5</td>
</tr>
</tbody>
</table>

**TOTAL ADJUSTMENTS**

16,059
**APPENDIX 4H: Intra-agency transfer form**

**FY 89 QUARTER BUDGET REPORT**

**DIVISION/DISTRICT/RESIDENCY**

---

**BUDGET**

---

CHECK IF NO VARIANCES/ADJUSTMENTS THIS QUARTER

NUMBER OF ATTACHMENTS

SUBMITTED BY: ____________________________ DATE: __________

(Name, Title)

<table>
<thead>
<tr>
<th>(OBJECT CODE 1100)</th>
<th>BUDGETED</th>
<th>EXPENDED</th>
<th>PERCENT EXPENDED</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ ______</td>
<td>$ ______</td>
<td>______</td>
<td>$ ______</td>
<td></td>
</tr>
</tbody>
</table>

(REQUESTED ADJUSTMENT)

AMOUNT $ ______

FROM SUBOBJECT CODE: ______

TO SUBOBJECT CODE: ______

INDICATE ANY PREVIOUS ADJUSTMENT: QTR ______ AMOUNT $ ______

RECOMMENDATION: CHIEF ENGINEER/DIRECTOR

APPROVE _____ DISAPPROVE _____ (Date)

DEPUTY COMMISSIONER/FINANCE DIRECTOR

APPROVE _____ DISAPPROVE _____ (Date)

BUDGET ADJUSTED (Date)

<table>
<thead>
<tr>
<th>(OBJECT CODE 1200)</th>
<th>BUDGETED</th>
<th>EXPENDED</th>
<th>PERCENT EXPENDED</th>
<th>EXPLANATION</th>
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</thead>
<tbody>
<tr>
<td>$ ______</td>
<td>$ ______</td>
<td>______</td>
<td>$ ______</td>
<td></td>
</tr>
</tbody>
</table>

(REQUESTED ADJUSTMENT)

AMOUNT $ ______

FROM SUBOBJECT CODE: ______

TO SUBOBJECT CODE: ______

INDICATE ANY PREVIOUS ADJUSTMENT: QTR ______ AMOUNT $ ______

RECOMMENDATION: CHIEF ENGINEER/DIRECTOR

APPROVE _____ DISAPPROVE _____ (Date)

DEPUTY COMMISSIONER/FINANCE DIRECTOR

APPROVE _____ DISAPPROVE _____ (Date)

BUDGET ADJUSTED (Date)

391
APPENDIX 4I: Reprogramming form

<table>
<thead>
<tr>
<th>ALLOCATION OR ALLOTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALLOCATION</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>ISSUED TO (ORGANIZATION AND ADDRESS)</td>
</tr>
<tr>
<td>ISSUED BY (ORGANIZATION)</td>
</tr>
<tr>
<td>SIGNATURE OF APPROVING OFFICER</td>
</tr>
<tr>
<td>TYPED NAME AND TITLE OF APPROVING OFFICER</td>
</tr>
<tr>
<td>APPROPRIATION TITLE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FUNDS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PREVIOUS NET AMOUNT</td>
<td>INCREASE (DECREASE)</td>
<td>REVISED NET AMOUNT</td>
</tr>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIMITATIONS</th>
<th></th>
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</thead>
</table>

| REMARKS | |

AP FORM 422 PREVIOUS EDITION WILL BE USED.
### APPENDIX 4J: Budget adjustment form

<table>
<thead>
<tr>
<th>FUND CITE AUTHORIZATION (FCA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADVICE NUMBER</td>
</tr>
<tr>
<td>REQUESTED BY/ISSUED TO (Activity's name and address)</td>
</tr>
</tbody>
</table>

#### INSTRUCTIONS TO REQUESTING/RECEIVING OFFICE

This form may be used by an activity to request authority to cite funds or by the AFO to issue fund cite authority under the provisions of AFR 177-101. Before the beginning of a period, an activity may submit this form to the AFO as a request for fund requirements for a specific period and specific purpose. The AFR 177-16 statement must be signed before authorizing or incurring commitments or obligations. The amount approved by the AFO is an estimate of the amount which may be obligated. You must advise the issuing AFO when it becomes apparent that obligations may exceed the amount made available on this form. Failure to do so may overobligate the funds administered by the AFO and result in a violation of AFR 177-16.

The recipient or person administering this document could be held responsible for the violation and subject to administrative discipline. Show the accounting classifications and advice number on all obligation documents. Return a duplicate copy of this form to the issuing AFO as soon as all obligations have been incurred or on the expiration date, whichever comes first. Also return any outstanding commitment documents that authorize obligations which have not been incurred. The total dollar amount of these documents should equal the total of the Commitment Amount column. Send to the issuing AFO any obligation documents received after expiration of the period of this authority. DO NOT use this form after expiration even if an available balance remains. Keep the original form for your files. Instructions for maintaining this form are on the reverse.

#### TO: Accounting and Finance Officer

Request authority to cite funds and incur obligations for the purposes stated below, in amount of $ to cover estimated fund requirements for the period __________ to __________

AFR 177-16 Statement: I have read AFR 177-16 and understand that funds must be controlled to ensure that an overobligation does not occur.

(Recipient/Requester Signature) (Signature of Individual administering FCA)

#### PURPOSE:

<table>
<thead>
<tr>
<th>REQUESTER'S NAME AND GRADE</th>
<th>REQUESTER'S SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCOUNTING CLASSIFICATION</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This authority to cite funds and incur obligations in the amount above shown is approved. This is not an administrative subdivision of funds per AFR 177-16.

<table>
<thead>
<tr>
<th>TYPED NAME, ADDRESS, AND TELEPHONE NUMBER OF ISSUING ACCOUNTING AND FINANCE OFFICER (or Official Designee)</th>
<th>SIGNATURE</th>
</tr>
</thead>
</table>

AF Form 616, Jun 85

PREVIOUS EDITION IS OBSOLETE.

393
INSTRUCTIONS FOR MAINTAINING THIS FORM

List all commitments and obligations you authorize or incur. Compute a new available balance by subtracting the commitment or obligation amount from the previous available balance. If an obligation was previously recorded as a commitment, reverse the commitment, and record the obligation. Use the Remarks column as necessary to help maintain the form. Send a copy of each obligating document to the issuing AFO as soon as practical (daily, weekly, monthly). Send all obligating documents in time to reach the issuing AFO by the end of each month.

<table>
<thead>
<tr>
<th>DOCUMENT DATE</th>
<th>DOCUMENT REFERENCE NUMBER</th>
<th>COMMITMENT AMOUNT</th>
<th>OBLIGATION AMOUNT</th>
<th>AVAILABLE BALANCE</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reverse of AF Form 616. Jun 85)
## APPENDIX 4K: Monthly financial report

<table>
<thead>
<tr>
<th>DATE 8/1/99</th>
<th>TOAM OF BLACKBURG</th>
<th>INTERIM STATEMENT OF EXPENDITURES, ENCUMBRANCES, AND APPROPRIATIONS</th>
<th>PAGE 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>TOTAL APPROPRIATIONS</td>
<td>ENCUMBRANCES</td>
</tr>
<tr>
<td><strong>TOWN COUNCIL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-01101-1004 COUNCIL SALARIES</td>
<td>18,000.00</td>
<td>15,500.00</td>
<td>.00</td>
</tr>
<tr>
<td>2-01101-2001 FICA</td>
<td>1,322.00</td>
<td>112.45</td>
<td>.00</td>
</tr>
<tr>
<td>2-01101-2009 UNEMPLOYMENT INSURANCE</td>
<td>30.00</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>2-01101-2002 PROFESSIONAL SERVICES - OTHER</td>
<td>3,000.00</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>2-01101-2007 ADVERTISING</td>
<td>230.00</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>2-01101-2003 TELECOMMUNICATIONS</td>
<td>325.00</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>2-01101-5401 OFFICE SUPPLIES</td>
<td>120.00</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>2-01101-5413 OTHER OPERATING SUPPLIES</td>
<td>500.00</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>2-01101-5427 FLAVORS</td>
<td>300.00</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>2-01101-5500 TRAVEL</td>
<td>6,300.00</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>2-01101-5506 ELECTION EXPENSE</td>
<td>3,300.00</td>
<td>.00</td>
<td>.00</td>
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<tr>
<td>2-01101-5507 CONTRIBUTION TO MILL</td>
<td>4,045.00</td>
<td>4,045.00</td>
<td>.00</td>
</tr>
<tr>
<td>2-01101-5508 CONTRIBUTION TO HOSPIC</td>
<td>12,391.00</td>
<td>.00</td>
<td>.00</td>
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<tr>
<td>2-01101-5409 CONTRIBUTION TO AGENCY ON AGING</td>
<td>2,412.00</td>
<td>.00</td>
<td>.00</td>
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<tr>
<td>2-01101-5411 CONTRIBUTION TO CHAMBER OF COMMERCE</td>
<td>7,800.00</td>
<td>425.00</td>
<td>.00</td>
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<tr>
<td>2-01101-5413 CONTRIBUTION TO LIBRARY</td>
<td>6,500.00</td>
<td>706.23</td>
<td>.00</td>
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<tr>
<td>2-01101-5417 CONTRIBUTION TO RECICLING PROJECT</td>
<td>5,000.00</td>
<td>.00</td>
<td>.00</td>
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<tr>
<td>2-01101-5415 FIRE</td>
<td>420.00</td>
<td>.00</td>
<td>.00</td>
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<tr>
<td>2-01101-5420 CONTRIBUTION TO NV ALLIANCE</td>
<td>2,960.00</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td><strong>DEPARTMENT TOTALS</strong></td>
<td>75,672.00</td>
<td>9,118.50</td>
<td>.00</td>
</tr>
</tbody>
</table>

**Clerk of Council**

| 2-01102-1002 OVERTIME | 900.00 | .00 | .00 | .00 | 900.00 | 5.2 | 5.1 |
| 2-01102-1007 CLERK OF COUNCIL | 35,472.00 | 1,505.75 | .00 | 1,505.75 | 34,966.25 | 7.2 | 7.1 |
| 2-01102-2001 OFFICE | 1,754.00 | 167.03 | .00 | 167.03 | 1,586.97 | 4.5 | 4.5 |
| 2-01102-2002 RETIREMENT - USES | 2,082.00 | 173.84 | .00 | 173.84 | 1,908.16 | 8.3 | 8.3 |
| 2-01102-2003 HOSPITAL / MEDICAL PLANS | 1,620.00 | 191.14 | .00 | 191.14 | 1,428.86 | 12.1 | 12.2 |
| 2-01102-2004 GROUP LIFE INSURANCE | 167.00 | 1.46 | .00 | 1.46 | 155.54 | 5.4 | 5.4 |
| 2-01102-2009 UNEMPLOYMENT INSURANCE | 7.00 | .00 | .00 | .00 | 7.00 | .00 | .00 |
| 2-01102-2011 WORKERS' COMPENSATION | 29.00 | 4.09 | .00 | 4.09 | 24.91 | 10.2 | 10.2 |
| 2-01102-2014 EMPLOYER'S CONTR-RETIREMENT BENEFITS | 25.00 | .00 | .00 | .00 | 25.00 | .00 | .00 |
| 2-01102-2005 MAINTENANCE SERVICE CONTRACTS | 30.00 | 30.00 | .00 | 30.00 | 30.00 | .00 | .00 |
| 2-01102-2006 MEDICAL AND DENTAL | 5,000.00 | .00 | .00 | .00 | 5,000.00 | 10.5 | 10.5 |
| 2-01102-2007 ADVERTISING | 1,450.00 | .00 | .00 | .00 | 1,450.00 | 1.4 | 1.4 |
| 2-01102-2008 TELECOMMUNICATIONS | 284.00 | 25.54 | .00 | 25.54 | 258.46 | 8.2 | 8.3 |
| 2-01102-5401 OFFICE SUPPLIES | 750.00 | 125.20 | .00 | 125.20 | 424.00 | 22.7 | 22.4 |
| 2-01102-5500 TRAVEL | 1,700.00 | .00 | .00 | .00 | 1,700.00 | .00 | .00 |
| 2-01102-5508 TRAINING | 51.00 | .00 | .00 | .00 | 51.00 | .00 | .00 |
| 2-01102-5401 RULES AND ASSOCIATION MEMBERSHIPS | 100.00 | 100.00 | .00 | 100.00 | .00 | 100.00 | 72.9 |
| 2-01102-7007 B P EQUIPMENT | 3,250.00 | .00 | .00 | .00 | 3,250.00 | .00 | .00 |
| **DEPARTMENT TOTALS** | 40,687.00 | 2,199.54 | 149.42 | 2,199.54 | 37,287.94 | 5.8 | 7.4 |

**Tom Managers**

| 2-01201-1002 OVERTIME | 125.00 | .00 | .00 | .00 | 125.00 | .00 | .00 |
| 2-01201-1003 PART-TIME | 4,500.00 | 140.70 | .00 | 140.70 | 4,299.30 | 2.1 | 4.2 |

---

395
## APPENDIX 4L: Accounting ledger

### ACCOUNT NO. | ACCOUNT DESCRIPTION | DEBIT | CREDIT
--- | --- | --- | ---
100 | 1ST VA BANK OF SOUTHWEST | 1,209.92 | .00
101 | FNB SPECIAL ACCOUNT | 5,246.65 | .00
102 | CENTRAL FIDELITY | 299.51 | .00
103 | FNB MONEY MARKET | 1,167,794.22 | .00
104 | FNB MONEY MARKET-SAVINGS | .00 | .00
105 | FNB MONEY MARKET-CHECKING | .00 | 335,472.00-
106 | DOMINION BANK SHREDS-RICHMOND ESCROW | 100,100.00 | .00
107 | DOMINION BANK - BLACKSBURG ESCROW | 10.00 | .00
108 | DOMINION BANK - NEW RIVER VAGABOND | 129,811.77 | .00
109 | DOMINION BANK - REGULAR | 3,762.44 | .00
110 | FNB PAYROLL | .00 | 6,307.37-
111 | HAB MONEYS MARKET-SAVINGS | .00 | 799.23-
112 | NATIONAL BANK - RES ACCT | 8,533.37 | .00
113 | MMB - PAYROLL ACCOUNT | .00 | 113,550.53-
114 | LOCAL GOVERNMENT IMPEM. POOL | 952,198.46 | .00
115 | CERTIFICATE OF DEPOSITS | 1,900,000.00 | .00
116 | ESCROW - MMB, FOR SODER LINE CASHE/VIAT | 10,051.78 | .00
117 | CHARGE FUND - SWIMMING POOL | 25.00 | .00
118 | CHARGE FUND SPECIAL EVENTS | 75.00 | .00
119 | PETTY CASH | 380.00 | .00
120 | CHARGE FUND GOLF COURSE | 236,300.00 | .00
121 | CASH OVER AND SHORT | 123,74 | .00
122 | ACCOUNTABILITY TO FUNDS | .00 | 3,611,829.11-

### ***ACCOUNTABILITY***

| FUND TOTALS | .00 | 13,643.45 |

- 201 CASH OPERATIONS | .00 | 117,632.93-
- 202 INVESTMENTS | 300,000.00 | .00
- 203 DEP DEPOSITS | 500,000.00 | .00
- 204 RESERVE FOR FNB SPECIAL ACCOUNT | .00 | 5,246.65-
- 205 VA TECH 53 FRANCHISE FEE | .00 | .00
- 206 SALES TAX RECEIVABLE | .00 | .00
- 207 UTILITY TAX RECEIVABLE | .00 | .00
- 208 INVENTORY - WAREHOUSE | 129,194.40 | .00
- 209 ACCTS REC - TRAVEL | 5,447.43 | .00
- 210 ACCTS REC - REFUSE | 28,187.49 | .00
- 211 ACCTS REC - Misc | 12,450.17 | .00
- 212 ACCTS REC - Misc | 4,724.42 | .00
- 213 INTEREST REC - INVESTMENTS | 768.75 | .00
- 214 MEALS TAX RECEIVABLE | 3,187.21 | .00
- 215 FED. REIMBURSE FOR FUEL & DECIDE TAX | 5,450.07 | .00
- 216 HOTEL-Motel TAX RECEIVABLE | 5,922.49 | .00
- 217 GOVT 4TH QTR, HIGHWAY MAINTENANCE REC. | .00 | .00
- 218 GOVERNMENT NOTICES RECEIVABLE | .00 | .00
- 219 DUE TO / FROM VAGABOND | .00 | .00
- 220 RECOVERABLE FROM VA DEPT. OF PERSONNEL | .00 | .00
- 221 SWIMMING POOL INVENTORY | 634.14 | .00
- 222 DUE TO / FROM REV SHARING | .00 | .00
- 223 DUE TO / FROM GOLF COURSE FUND | .00 | .00
- 224 DUE TO / FROM VAGABOND | .00 | .00
- 225 1981 TAXES RECEIVABLE | 364.09 | .00

---
<table>
<thead>
<tr>
<th>Category</th>
<th>Annual EXP</th>
<th>Annual ALLOTMENT</th>
<th>M-T-D EXP</th>
<th>Y-T-D EXP</th>
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<td>11,005</td>
<td>8,393</td>
<td>81.86</td>
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<td>459,700</td>
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<td>14,779,413</td>
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**ACTR 0402 OPTIONS:**

- C1
- COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM
- I
- CARS AGENCY NO 729
- VEE I
- SOUTHSIDE VA TRAINING CTR FOR MENTALLY RETARDED AGENCY

**Page 2:**

**VEE I**

**SOUTHSIDE VA TRAINING CTR FOR MENTALLY RETARDED AGENCY PAGE: 2**

**TRIAL BALANCE OF GENERAL LEDGER ACCOUNTS IY AGENCY/FUNO DETAIL/PROJECT REPORT PAGE: HIS**

**RUN DATE 10/21/11 09:14 A.M.**

**As of 10/21/11 REQUEST NO. ACTR0402 A 01**

**FUND NO PROJ NO ACCOUNT TITLE BEGINNING BALANCE DEBITS CREDITS ENDING BALANCE GLA NO**

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<th>DEBITS</th>
<th>CREDITS</th>
<th>ENDING BALANCE</th>
<th>GLA NO</th>
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**TOTAL**

| .00 | 7,624,549.71 | 7,624,549.71 | .00 |

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**TOTAL**

| .00 | 5,449,835.98 | 5,449,835.98 | .00 |

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**TOTAL**

| .00 | .00 | .00 |

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**TOTAL**

| .00 | .00 | .00 |

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APPENDIX 40: Budget Summary report

DEPARTMENT OF FINANCIAL SERVICES
MONTHLY SUMMARY REPORT

BUDGET ANALYSIS

Month Ending NOVEMBER 18, 1989

CENTRAL STATE HOSPITAL

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EXPLANATION OF VARIANCE

1700 APPAREL SUPPLIES-UNIFORMS, GLOVES, SHAPING, LACES, etc.
STATIONARY & FORM.
CUSTOMER/MAINTENANCE SUPPLIES
CLOTHING
FOOD SERVICE SUPPLIES - GPH, ETC
LAUNDRY/LINEN SUPPLIES
PERSONAL CARE SUPPLIES
COMPUTER OPERATING SUPPLIES
PHOTOGRAPHIC SUPPLIES

1500 PROPERTY INSURANCE
EQUIPMENT LEASES-COMP Muters
EQUIPMENT RENTALS-LEASERS, REOPERS
GEN LIABILITY INSURED MALPRACTICE

2100 FEES INC.

APPENDIX 4P: Cash projection report

MONTHS REMAINING

SOUTHWIDE U.S. TRAINING CENTER
Cash Flow Projection
as of NOVEMBER 18, 1989

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<td>Transfers To General Fund</td>
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<td>Appropriation Remaining</td>
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399
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<th>Budget Code</th>
<th>Project/Code</th>
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<th>2nd Qtr Allot.</th>
<th>3rd Qtr Allot.</th>
<th>4th Qtr Allot.</th>
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