

# **Election Administration**

**Volume III  
Costing Elections**

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**Election Administration  
Volume III  
Costing Elections**

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## Introduction by the National Clearinghouse on Election Administration

An election system might be compared to an automobile since, in order for either one of them to run well, a series of things must happen—some of them in sequence, some of them simultaneously. The principal difference is that election systems are comprised of living elements (voters, candidates, office staff, and records on all these) instead of the pistons, gears, and bearings that make up an automobile.

But if we look at the election system as an automobile, then we can see the election director as a kind of chief mechanic whose job it is to make the machine run and run efficiently. The ideal mechanic in this case is one who is concerned more with the smooth performance of the machinery than with the partisan direction in which the public (as driver) wants to go.

No chief mechanic begins work on an automobile without first consulting the engineering manual designed for that make and model. Such a manual contains the diagrams, schematics, and specifications which the manufacturer recommends for optimum performance. Up to now, election administrators have lacked this kind of manual partly because each jurisdiction's election system is a slightly different model from the rest and partly because there has been no nationwide study of what things are common to all models.

This four-volume series on election administration is designed as a set of engineering manuals for election officials. They describe the basic elements of the election machinery and offer standard and fairly uniform techniques for planning, managing, and costing out your election functions. When used in conjunction with a companion series of manuals, *election system statistics*, these manuals will provide you the basic tools you need to fine tune and adjust your election machinery to the conditions and demands of your own locality. The volumes in this series are:

I. *Managing Elections* which introduces the basic management cycle and provides a broad overview of essential election functions and tasks.

II. *Planning Elections* which introduces techniques for estimating the demand for election services, provides a series of activity check-off lists for each function and task, demonstrates how to distribute the workload, and suggests ways of spreading the workload over time.

III. *Costing Elections* which provides a basic chart of accounts, suggests ways of planning and accounting for election costs, and relates the election budget to the other functions of local government.

IV. *Memoranda of Law* which summarizes the legal provisions for administering and financing elections in each of the states.

The Manuals are designed to be flexible in two ways. First, since it is impossible for one set of manuals to fit every local make and model of election system, we list only those functions, tasks, and activi-

ties that are commonly performed. We then leave room for you to make the final adjustments (by adding or eliminating activities) in order to suit your own particular system. Second, we realize that large scale election offices with several units and a big staff are likely to need more elaborate planning, management and costing techniques than do small part-time offices. We have therefore designed these manuals in a kind of graduated way so that, for example, smaller offices can benefit by simply amending and using the checklist in Volume II while larger offices may want to advance into the PERT charts explained later in that volume. Similarly, the basic chart of accounts in Volume III may be adequate for tracking all election costs in smaller offices while larger jurisdictions would most likely benefit by applying it to each election function (or program).

Despite this flexibility, we hope that these manuals will

- help local election officials prepare and defend their budget requests with greater success
- help reduce election crises that drain resources, increase overtime hours, and threaten public confidence in the process
- provide a common language and approach to discussions of election problems and issues
- provide a common basis for comparing the costs and effectiveness of various registration and voting procedures.

In designing and writing these manuals, we relied not only on the expertise of Ernst and Ernst, but also on the practical advice and guidance of several experienced state and local election officials. This project more than most was a team effort. We are therefore deeply indebted for their work to:

Ray Phelps  
Director of Elections  
Oregon

William Durley  
Ass't. Secretary of State  
California

Thomas Wallace  
Director, Board of Elections  
New York

Joyce Dieffenderfer  
Supervisor of Elections  
Dade County, Florida

Marie Garber  
Supervisor of Elections  
Montgomery County, Maryland

Tom Walsh  
County Clerk  
LaSalle County, Illinois

S. H. "Hal" Runyan  
State Senator  
Arizona

and to dozens of other election officials who donated time to this effort.



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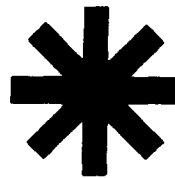




## Glossary of Terms

All definitions of accounting terms are compatible with those found in *A Dictionary for Accountants* by Eric Kohler (Prentice Hall, 1975).

1. **Accounting Transaction:** An event or condition that, when recognized, gives rise to an entry in accounting records.
2. **Activity:** A portion of a task that can be assigned to one or more persons.
3. **Demographic Variables:** Factors related to the size and density of population that can be used in demand analysis.
4. **Election District:** A geographic area that is entitled to be represented in the U.S. House of Representatives.
5. **Encumbrance:** An anticipated expenditure that can be related to a contract, purchase order, or specific administrative action.
6. **Expenditure:** The disbursement of cash for the purpose of acquiring an asset or service, liquidating an encumbrance, or settling a loss.
7. **Functions:** The primary responsibilities residing with local government as a result of the election process.
8. **Jurisdiction:** A governmental entity within a State empowered to conduct elections, e.g., county, municipality.
9. **Measures:** Issues appearing on the ballot as a result of the exercise of the right to initiative or referendum.
10. **PERT Chart:** A graphic illustration derived from the Program Evaluation and Review Technique developed by the U.S. Navy to resolve scheduling problems.
11. **Political Subdivision:** A geographic area within a jurisdiction that elects local officials and has access to the ballot to consider local measures.
12. **Potential Electorate:** That portion of the population that is eligible to register to vote in elections.
13. **Purchase Order:** A document authorizing a vendor to deliver described merchandise or materials.
14. **Registration Transaction:** An addition, deletion, or change to the original registration documents that are maintained by a jurisdiction.
15. **Registry:** The authoritative record of individuals who are registered to vote.
16. **Requisition:** A formal written request from one department to another within an organization for specified articles and services.
17. **Service Level (Service Volume):** The product of tasks that can be associated with work performed in specific time periods, e.g., number of voters registered in a given year.
18. **Subvention:** A subsidy from a governmental or foundation source.
19. **Task:** Work efforts that produce a distinct and measurable result.
20. **Workload:** Staff effort, measured in hours, that is required to perform a specific activity, task, or function.



**This emblem indicates that a blank of the sample chart is reproduced in the back of the volume for your convenience and duplication.**

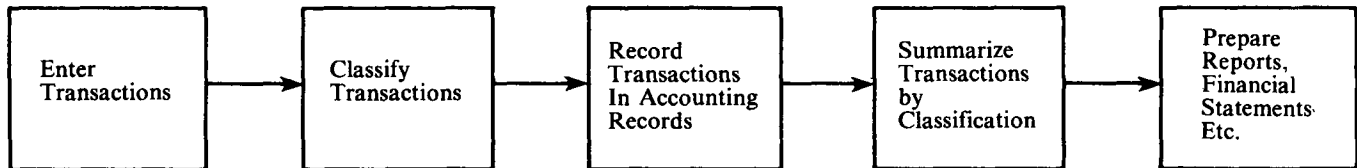




# **I. Introduction**

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**Exhibit I-1**  
**Overview of the Accounting Process**



Enter transactions to acquire and distribute resources, e.g., purchase of supplies

Group transactions by categories, e.g., personnel, equipment, supplies

Enter dollar value of transactions by category in journals, ledgers, etc.

Total dollar value of each category

Report budgets, payroll records, etc.

The accounting cycle may be monthly, quarterly, or annually.

---

# I. Introduction

Volume I of this report, *Managing Elections*, introduces the idea of a management cycle composed of:

- Planning
- Program Development
- Budget Formulation
- Program Execution, and
- Program Control.

Volume II, *Planning Elections*, is intended to help you plan and develop programs. We have written this volume to help you formulate an election budget and, in the course of executing your plan, account for and control your election costs.

Budgeting and cost accounting are tools for management control; and management control is simply the process of bringing an organization into conformity with a desired or planned level of performance. Managers in local government generally evaluate their organization's level of performance by reviewing cost and performance data reported to them during the course of operations. Since successful management control first requires planning the types and quantities of services to be provided, this volume is really a sequel to Volume II, *Planning Elections*. The planning data suggested in that volume are essential to implementing many of the management control activities discussed in this volume. But even if you decide not to do the thorough election planning recommended in Volume II, you may still find some of the material in this volume useful. The sample election office Chart of Accounts in Exhibit II-1, for example can help you in classifying your election expenditures even without a detailed work plan. Conversely, it is possible to do the detailed planning suggested in Volume II without going into budgeting and accounting. But for those who want a firm grasp on how much has to be spent on what in order to achieve the desired level of service, we recommend that you apply both the planning and the budgeting volume.

We have thus far referred to this as the "budgeting" or

"accounting" volume. Neither name is strictly accurate. What we have tried to do in this volume is show you some techniques you can use to categorize your election expenses (by item, by function, etc.) and thus show you how these categories are useful in

- formulating an election budget
- justifying the budget request
- controlling election staff and resources, and
- accounting for your election costs.

We want to emphasize, however, that the financial management techniques we present are intended to supplement rather than replace experience and good judgment. These techniques give you more precise information for making decisions; they do not make the decisions for you.

The financial management techniques we explain in the following pages all require some accounting and statistical data. Such figures as voter registration, voter turnout, expenditures and encumbrances, and fund balances are routinely available to you. Other figures may not be as readily at hand; at least at first. Where you lack precise figures, make your best estimate and proceed. It is more important in the first year to get started than to be precise. We explain how to acquire accounting information in Appendix I. Methods of obtaining other data are outlined in *Election System Statistics*, also published by the FEC National Clearinghouse.

Finally, much of the magic and mystery of budgeting and accounting is simply a matter of vocabulary. The rest is largely good sense and good recordkeeping, as Exhibit I-1 suggests. In order to make things as easy as possible, we have provided a glossary of terms (for when we cannot avoid using professional jargon in the text), and blanks of the basic worksheets we recommend.





## **II. Establishing Election Office Accounts**







## II. Establishing Election Office Accounts

Each local election office must operate on funds appropriated by the legislative body of its county or municipality. Since elections are funded largely from public sources, election officials must be especially sensitive to two aspects of financial management:

■ **Public Accountability**—Election officials must be able to demonstrate to the public that funds are spent for appropriate staff and resources. Documentation should further demonstrate that staff and resources were required to provide election services.

■ **Efficiency**—Election officials must eliminate wasteful practices. They should be able to deliver desirable levels of election services at the lowest possible price.

Your local Director of Finance (or Treasurer or Comptroller) maintains an accounting system to generate financial and statistical information. Ideally, this system should meet both the statutory requirements for public accountability and the information needs of department or agency managers like yourself.

The accounting system contains a record of all events involving an increase or a decrease in the funds available to the jurisdiction. These events will be referred to, hereafter, as financial transactions. Your local financial officer who is responsible for operating the system performs the following accounting services for the local government's departments and agencies:

- Maintains records of the stock of goods and services controlled by each department or agency
- Records the funds allocated to each department or agency from each funding source
- Records operating costs by category of the item or service being purchased
- Records revenues received by each agency or unit
- Prepares financial and statistical reports for managing the funds at the disposal of each organizational unit.

There are many kinds of accounting systems. There are small manual systems designed to handle a limited number

of transactions and there are complex sophisticated systems that make use of electronic data processing (EDP) equipment. Systems can be developed to provide financial information at almost any level of detail. The type of system used usually depends on the size of the local government and the number and types of transactions it processes.

Your jurisdiction's accounting system serves several different departments and agencies. Consequently, the system must be capable of classifying transactions into categories that are useful for each organizational unit and then summarizing the dollar values of transactions in each category. One of the most important components of an effective accounting system is its classification scheme, or account structure. The classification of transactions is important because it determines the level of detail that will be available in accounting reports to managers. This follows the general rule that you cannot get out more detail than you put in.

Local governmental finance officers may add or delete account categories periodically. To assist you in recommending additions and deletions appropriate for categorizing transactions related to election functions, we have prepared a model Chart of Accounts for local election officials (Exhibit II-1).

This model Chart of Accounts indicates the categories or accounts in which revenue and expenditure transactions are recorded. These categories are critically important to managing elections, since your ability to justify and control costs is influenced by the way budgeted funds and actual transactions are classified.

Suppose, for example, your accounting system reports the cost of printing, postage, and supplies in a single category called "Expenses." Suppose further that you observe the costs in this category to be increasing by 20 percent each month. It would be difficult to discern the cause of this increase because the financial transactions in

**Exhibit II-1****Model Chart of Accounts****3000 Revenues**

- 3110 Candidate Filing Fees
- 3210 Sales of Election Office Publications
- 3310 Postage and Handling Charges Reimbursement
- 3410 Contributions—State [subvention]
- 3411 Contributions—Federal [subvention]
- 3510 Sale of Services to Other Jurisdictions
- 3610 Salvage
- 3710 Other Revenues

**4000 Expenses****4100 Personnel**

- 4110 Professional\*—Full time
- 4115 Professional\*—Part time
- 4120 Registration—Full time
- 4121 Registration—Part time
- 4122 Registration—Temporary
- 4123 Poll Workers—Temporary
- 4124 Support\*—Full time
- 4129 Support\*—Part time
- 4134 Maintenance—Full time
- 4135 Maintenance—Part time
- 4136 Other Central Office Staff—Full time
- 4137 Other Central Office Staff—Part time
- 4138 State, County, or Municipal Employees
- 4139 Registration—Overtime
- 4140 Elections—Overtime

**4200 Personnel Fringe Benefits**

- 4211 Social Security or Equivalent
- 4212 State Unemployment Compensation
- 4213 Group Hospitalization Insurance

- 4214 Group Life Insurance
- 4215 Retirement Contributions

**4300 Rentals/Leases**

- 4310 Central Office Space
- 4311 Registration Sites
- 4312 Storage Space
- 4313 Polling Places
- 4314 Furniture
- 4315 Office Machines
- 4316 Voting Machines
- 4317 Duplicating Machines
- 4318 Voting Registry Equipment
- 4319 Microfilm/fiche Equipment
- 4320 EDP Equipment

**4400 Equipment—Purchase**

- 4410 Furniture
- 4411 Office Machines
- 4412 Voting Machines
- 4413 Duplicating Machines
- 4414 Voter Registry Machines
- 4415 Microfilm/fiche Equipment

**4500 Printing**

- 4510 Printing—Ballots, other election-related materials
- 4511 Printing—Registration materials
- 4512 Printing—Voter information
- 4513 Printing—Candidate and party filing
- 4514 Printing—Administrative

**4600 Postage**

- 4610 Postage—Registration
- 4611 Postage—Election-related
- 4612 Postage—Voter information
- 4613 Postage—Administrative

\* May be further subdivided by adding codes for each position.

<b>4700 Utilities and Maintenance</b>
4710 Telephone—Permanent
4711 Telephone—Temporary
4712 Utilities (Heat, Light, Power)
4713 Insurance
4714 Repairs and Maintenance—Office
4715 Repairs and Maintenance—Machines and equipment
<b>4800 Travel and Transportation</b>
4810 Business Meetings—Transportation
4811 Business Meetings—Meals
4812 Business Meetings—Lodging
4813 Professional Conferences—Transportation
4814 Professional Conferences—Meals
4815 Professional Conferences—Lodging
4816 Training Sessions—Transportation
4817 Training Sessions—Meals
4818 Training Sessions—Lodging
4819 Transportation—Equipment
4820 Transportation—Supplies
4821 Mileage for Official Business
4822 Precinct Board Mileage
4823 Repairs and Maintenance—Motor vehicles (basis of mileage)
<b>4900 General Expenses</b>
4910 Supplies and Materials
4911 Contractual Services
4912 Legal Services
4913 Graphic Arts
4914 Advertising
4915 Professional Dues
4916 Reference Materials
4917 EDP Operating Costs
4918 Miscellaneous Expense

the system have been summarized into a category that is too general to identify the kinds of items for which costs were incurred.

Your ability to analyze and control costs in this example would be greatly improved if there were separate classifications such as "printing," "postage," and "supplies." These separate categories would enable you to isolate the category that is increasing 20 percent over budget. Further analysis could relate these purchases to specific election functions in order to help you control costs before they get totally out of hand.

Throughout this volume we will refer to the model Chart of Accounts. The chart of accounts used by your jurisdiction may vary from this model (although the techniques of financial analysis we discuss in this volume can be applied in most jurisdictions with the accounts you have). In fact, many jurisdictions may not classify accounts in a way that facilitates election planning or budgeting. As a result, election officials may have reason to investigate the amount or purpose of individual transactions in order to formulate their budget requests and budget justifications. The transaction documents most pertinent to election administration reside in three components of a jurisdiction's accounting system:

- Payroll
- Purchasing
- Revenue receiving.

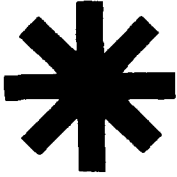
Almost all election transactions involve payments to staff, the purchase of goods or services, or the receipt of cash payments.

In Appendix I, we acquaint you with the basic terms used by accountants to describe such transactions, the key documents they involve, and who is normally responsible processing them. This discussion is intended to make conversations with your jurisdiction's finance and accounting personnel a little easier.





### **III. Analyzing Election Costs**



**Exhibit III-1**

**Worksheet of Costs: Voter Information**

Period FY 79

Object of Expense	Account Number	Quantity	Total Cost	Estimated Unit Cost
<b>PERSONNEL: PROFESSIONAL</b>	<b>4110</b>	<b>300 STAFF HRS</b>	<b>\$ 8,400</b>	<b>\$ 28/STAFF HR</b>
<b>SUPPORT</b>	<b>4124</b>	<b>420 STAFF HRS</b>	<b>9,200</b>	<b>22/STAFF HR</b>
<b>FRINGE BENEFITS</b>	<b>4200</b>	<b>720 STAFF HRS</b>	<b>1,029</b>	<b>\$1.43/STAFF HR</b>
<b>SUPPLIES AND MATERIALS</b>	<b>4910</b>	<b>VARIOUS</b>	<b>1,000</b>	<b>—</b>
<b>PRINTING</b>	<b>4512</b>	<b>40,000 (BROCHURES)</b>	<b>1,500</b>	<b>\$ .04 EA</b>
<b>POSTAGE</b>	<b>4612</b>	<b>45,000 PAGES OF MAIL</b>	<b>5,850</b>	<b>\$ .13 EA</b>
<b>GRAPHIC ARTS</b>	<b>4913</b>	<b>CONTRACT</b>	<b>2,000</b>	<b>—</b>
<b>ADVERTISING</b>	<b>4914</b>	<b>CONTRACT</b>	<b>1,000</b>	<b>—</b>
<b>RENTAL SPACE</b>	<b>4310</b>	<b>10% CENTRAL OFFICE RENTAL</b>	<b>600</b>	<b>\$ 50 MO.</b>
<b>OFFICE MACHINE RENTAL</b>	<b>4315</b>	<b>1/2 ANNUAL RENTAL</b>	<b>240</b>	<b>\$ 20 MO.</b>
<b>TELEPHONE</b>	<b>4710</b>	<b>2 LINES AND MAINTENANCE SERVICE</b>	<b>525</b>	<b>\$ 35 MO.</b>
<b>Total</b>			<b>\$ 31,344</b>	

**Service Levels**

- Number of eligible voters
- Number of registered voters



## III. Analyzing Election Costs

Periodically, election officials are called upon to explain the costs of conducting elections. This entails a financial analysis of the organizational unit responsible for performing the election functions. The techniques employed in financial analysis take current and prior year total cost and unit cost trends as a basis for projecting future funding requirements. Three forms of financial analysis are likely to require your participation:

- *Cost finding*—to estimate the portion of your current expenditures related to each election function
- *Budget preparation*—to plan your funding requirements for the coming fiscal year
- *Management control*—to ensure that you deliver election services efficiently and within the funding limits set by your jurisdiction.

Cost finding is usually performed in conjunction with budget preparation and management control. Through cost finding you can establish a basis for determining how changes in the type or quantity of election services affect your costs.

### A. Cost Finding

Cost finding is the process of estimating what costs are incurred as you perform specific functions. This differs from routine accounting insofar as you are distributing costs into categories that are not found among the expense objects in your chart of accounts.

State and local governmental organizations practice two basic forms of cost finding:

- *Parallel record keeping*—periodic manual assignment of costs to functions
- *Automated transaction sorting*—periodic automated assignment of transactions to functions.

Cost finding by election officials should sort transactions that record costs into the following functional categories:

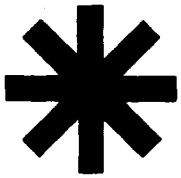
- Election Functions
  - Precinct Definition

- Certification of Qualification
- Voter Registration
- Campaign Finance and Control
- Voter Information
- Balloting
- Tabulation
- Certification of Results
- Non-Election Duties
- Leave
- Administration.

The result of cost finding efforts is a listing of costs by expense object for each functional category. Exhibit III-1 presents a listing of the costs incurred by a sample election jurisdiction to perform the voter information function. The sections that follow discuss applications of the two basic cost finding techniques to election administration.

**1. Parallel record keeping enables managers to perform special analyses of costs.** Election officials can keep cost records that distribute costs in more detailed categories than the reports generated by their jurisdiction's accounting system. We have prepared a series of five-column worksheets similar to that displayed in Exhibit III-1 to assist you in accumulating cost data related to election functions and administration. These worksheets, presented in Appendix II, are completed as follows:

- **Column 1—Object of Expense.** This column should contain cost categories listed in the model Chart of Accounts. For each function, list only those categories for which costs are actually budgeted/incurred.
- **Column 2—Account Code.** This column should contain the account numbers for the specific expenses listed in your Chart of Accounts.
- **Column 3—Quantity.** This column should contain the number of units purchased of each cost item or category.



**Exhibit III-2**  
**Sample Time Report**

Election Staff Time Report							
Employee:							
Position:				Week beginning:			
Function	M	T	W	Th	F	S	S
■ Precinct Definition							
■ Certification of Qualification							
■ Voter Registration							
■ Campaign Finance and Control							
■ Voter Information							
■ Balloting							
■ Tabulation							
■ Certification of Results							
■ Non-Election Duties							
■ Sick and Annual Leave							
■ Administration							





■ **Column 4—Total Cost.** This column should contain the total cost of each category of goods and services for the period covered.

■ **Column 5—Estimated Unit Cost.** Entries in this column represent the cost of a single item or the cost of a single hour of personnel time. These are derived by dividing total cost by the quantity appearing in column 3.

There are three strategies for using these forms:

■ **Strategy one:** Data can be collected continuously each month and analyzed each month.

■ **Strategy two:** Data can be collected continuously each month and analyzed at the end of each quarter or fiscal year.

■ **Strategy three:** Data can be collected and analyzed retrospectively at the end of each quarter or fiscal year.

The first strategy involves the largest amount of effort. However, an analysis of costs associated with election functions each period will provide election officials with a basis for adjusting staff assignments and resource commitments to control costs. If collecting and analyzing the data on a monthly basis proves too burdensome to be feasible, then strategy two or three can be employed. Regardless of which strategy you employ, you will have to collect data on how much staff time is being spent on each election function.

Many jurisdictions already employ a time keeping process to monitor staff costs by organizational unit. It may be possible to revise the time keeping forms currently in use so that time distributions by election function can be acquired.

It is usually most convenient to have staff submit weekly time reports. Exhibit III-2 presents a sample time report that election officials may use to determine the hours spent by employees on each election function. To complete this report, staff should record the number of hours spent performing each function. These reports should be

summarized monthly for each employee and used to allocate his or her monthly earnings by function.

If you plan to collect data retrospectively on a quarterly or annual basis you will have to rely, to a large extent, on the self-report form used to plan staff requirements.

For your convenience, this form is reproduced as Appendix III at the end of this volume. There are three steps to distributing staff costs:

■ Assign staff performing a single function to appropriate categories (e.g., costs of registration clerks are assigned to voter registration, costs of precinct judges are assigned to balloting).

■ Request all other employees to complete a self-report form to apportion their time, by month, among election functions.

■ Summarize self-report forms and distribute costs according to the reported time distributions.

Other costs, such as supplies, equipment, and printing are distributed to function either directly or through statistical apportionment. Some non-staff costs may be assigned directly to election functions from the accounting records or transaction document. These costs are incurred for items that can be identified with a specific function (e.g., costs for printing ballots are assigned directly to the balloting function, costs for data processing to produce precinct listings are assigned directly to voter registration). Exhibit III-3 presents a listing of cost categories and the documents you may review to acquire further information regarding specific costs.

**Exhibit III-3**

**Matrix of Expenses and Revenues to Source Documents**

Category of Expense and Revenue	Requisitions	Purchase Orders	Vouchers	Receiving Reports	Invoices	Contracts	Charge Back Notices	Meter Usage Reports
Personnel								
Fringe Benefits			X		X			
Rentals			X			X		
Equipment	X	X	X	X	X			
Printing	X	X	X	X	X		X	
Postage			X					X
Utilities/Maintenance	X	X	X	X	X		X	
Other General								
Expenses	X	X	X	X	X	X	X	
Tranportation			X		X		X	
Revenues								



**Exhibit III-3 (Cont.)**

**Matrix of Expenses and Revenues to Source Documents**

Category of Expense and Revenue	Expense and Travel Reports	Payroll Records	Work load Records	Sales Receipts	Approved Budgets	Interfund Transfers	Vendor Price Lists	Other Receipts
Personnel		X	X					
Fringe Benefits		X	X					
Rentals								
Equipment							X	
Printing								
Postage								X
Utilities/ Maintenance							X	X
Other General Expenses							X	X
Transportation	X							
Revenues				X	X	X		

Some costs can be assigned to specific functions only on an estimated basis. To apportion these costs, select a statistical basis for distributing costs among functions. Office supplies can be distributed according to the amount of staff time applied to each function. Office supply costs apportioned to voter information are computed as follows:

$$\frac{\text{Staff time assigned to voter registration}}{\text{Total staff time}} \times \text{Total office supply costs} = \text{office supply costs for voter registration}$$

In a similar fashion transportation costs can be apportioned on the basis of trip mileage.

**2. Automated transaction sorting is the most sophisticated way of assigning costs to functions.** In some jurisdictions, the accounting system has the capability of sorting transactions by election function. This is done by developing a set of categories in the chart of accounts to represent the function within each organizational unit that incurs cost or generates revenues. Transactions are then coded according to the additional categories. Where jurisdictions are establishing or revising account codes to define functions within organizational units, election officials may recommend the following:

- Precinct definition
- Certification of qualifications
- Voter registration
- Campaign finance and control
- Voter information
- Balloting
- Tabulation
- Certification of results
- Non-election duties
- Sick and annual leave
- Administration.

Automated transaction sorting to capture costs by function relies on either automated or manual time

reporting. Consequently, time report forms used by election staff must be designed to reflect election functions.

Where automated transaction sorting is used as a cost finding method, the work required of election officials to monitor costs by function is significantly reduced. To ensure that costs are accurately distributed, however, election officials must be alert to enter proper account codes on all payroll, timekeeping, purchasing, and other transaction documents.

## B. Budget Preparation

A budget is a plan that describes where an organization acquires its funds and how it will use these funds. Election functions are funded primarily by local government allocations and reimbursements from special districts with taxing authority.

There are three distinct phases to formulating a budget:

■ **Phase I: Budget Request**—Local government organizational units submit a budget request detailing the costs of each category of resource they expect to use. Requests may also indicate revenues and the sources from which they expect to receive revenues.

■ **Phase II: Fund Allocation**—The legislative body of the local government allocates funds to each organizational unit according to criteria that include the following considerations:

—Total revenues available from taxes, fees, federal and state distributions, and other sources

—Perception of organizational unit resource requirements

—Political and social pressures.

■ **Phase III: Budget Reconciliation**—Managers of organizational units revise plans, GANTT charts<sup>1</sup>, flow charts<sup>2</sup>, and schedules to reflect differences between their

<sup>1</sup> See *Planning Election Functions*, p.115

<sup>2</sup> See *Planning Election Functions*, p.117



budget requests and the fund allocation.

Election officials can use actual costs and revenues resulting from operations as the basis for estimating the following year's budget. The following sections provide a series of worksheets, examples, and instructions to assist you in the budget process.

### **1. The Budget Request**

The budget request identifies the financial impact on a jurisdiction of an organizational unit's operating plan. There are two basic forms of budget requests:

- Program budgets, such as zero base budgets
- Line item budgets.

We recommend that election officials undertake a program budgeting exercise to project costs for each election function. Where jurisdictions require that budget requests be submitted by account code, line item summaries must also be prepared.

You would use the same worksheets to project costs for election functions that you used for cost-finding. The methodology for projecting costs relies to a large extent on the ability to identify staffing requirements to meet anticipated service levels. Exhibit III-4 displays the staff scheduling worksheet presented in *Planning Election Functions*, which summarizes an employee's time commitments to each election function.

If you plan to hire new staff to perform specific functions, you can use position job descriptions as the basis for apportioning time among election functions. The average salary range for similar positions provides a reasonable cost estimate for new employees.

Supply costs can be estimated on the basis of professional personnel time. The cost of supplies per full-time professional staff person rarely varies from year to year.

Costs of major pieces of equipment and vehicles can be estimated on the basis of vendor price lists. You may be able to obtain assistance in acquiring these price lists from

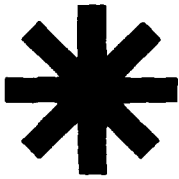
the procurement office of your jurisdiction.

A number of costs are fixed by contract. These may include rent, telephone switching equipment, and data processing services. You can obtain these costs from your procurement office.

Other resource costs may fluctuate on the basis of service levels. Printing costs, for example, will fluctuate with the number of different ballot decisions and the expected turnout. To estimate such costs, you should use the service levels projected according to the methods described in Volume II to determine quantity of resources to be purchased. Unit prices, such as the price per printed page, can be acquired from vendor literature. The budgeted amount for resources is computed as the product of the quantity of resources and their unit price.

During the budget request process, many jurisdictions require that revenue projections be submitted. Revenues are based normally on charges such as candidate filing fees established by statute. Election officials, if authorized by statute, may provide services to special taxing authorities from which they are entitled to collect reimbursement. For example, election officials may be reimbursed for costs related to elections conducted for school districts, community hospital catchment areas, and police and fire districts. Costs for these elections are usually incurred as a result of the Voter Information, Balloting, Tabulation, and Certification of Results functions. Total costs for special district elections may be determined easily if balloting occurs separately from other elections. Otherwise, estimated cost may be computed by apportioning total cost per election function on the basis of turnout for each ballot decision.

Most jurisdictions require that you summarize annual requests by account category. This summary is called a "line item" budget request. Exhibit III-5 provides a worksheet for summarizing functional budget requests. All information required to prepare this worksheet comes



**Exhibit III-4**  
**Worksheet to Schedule Staff Hours**

Employee: <b>SMITH</b>		Staff Classification: <b>PROFESSIONAL</b>											
Function	Month												Total
	J	F	M	A	M	J	J	A	S	O	N	D	
■ Precinct Definition		40	20	20									80
■ Voter Registration	20	20	5	5	10	20							80
■ Certification of Qualifications	45	35	65	20	40	20	60	40	20	20		80	445
■ Campaign Finance and Control				20	10	20						30	80
■ Voter Information				80		40	20	20	20	40	20		240
■ Balloting					80	20	40	40	100	80	80		440
■ Tabulation											10		10
■ Certification of Results													
■ Non Election Functions													
■ Administration	80	50	40	10	10	30	20	10	20	20	10		300
■ Sick & Annual								50				70	120
■ Total Hours	145	145	130	155	150	150	140	160	160	160	150	150	1795



**Exhibit III-5**  
**Line Item Summary of Election Function Budget Request**

Worksheet to Allocate Line Items Functions													
Account #	Function Account	Precinct Definition	Certification of Qualification	Voter Registration	Campaign Finance and Control	Voter Registration	Balloing	Tabulation	Certification of Results	Sick and Annual Leave	Administration	Non-Election Duties	Account Totals

4110	Professional full time	723	723	3,814	723	2,802	4,246	90	10	80	2,802		\$16,000*
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\* Total annual salary for one management analyst.

**Exhibit III-6**  
**Budget Justification Worksheet**

Comparison of Existing Budget to Proposed Budget by Function									
Function	Units of Service This Year	Proposed Units of Service Next Year	Percent Difference	Allocated Budget This Year	Proposed Budget Next Year	Percent Difference	Allocated Cost Per Service Unit This Year	Proposed Cost Per Service Unit Next Year	Percent Difference

■ Voter Registration	32,706	165,000	404	12,750	65,000	409*	.39	.39	—
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\* Significant additional funds are required to accomplish registration file purge.




**Exhibit III-7**

**Reconciliation of Allocation to Budget Request**

Budget Reconciliation Worksheet						
	Budget Request			Budget Allocation		
Function	Budget Request	Proposed Service Level	Unit Cost	Projected Service Level	Unit Cost	Budget Allocation

■ Voter Registration	65,000	165,000	.39*	165,000	.35	57,750

\* The Legislature anticipates cost savings from improved equipment.



from the worksheets projecting costs by election office function.

Many jurisdictions require that monthly line item expenditure and revenue plans be submitted along with budget requests. Budget estimates by month are constructed as follows:

- Apportion the salary of full-time staff equally among pay periods.
- Apportion non-salary administrative costs equally among pay periods unless climate or other conditions cause significant variations in fuel or other overhead costs.
- Record part-time staff and other non-personnel costs related to specific election functions in the column for the month in which they most likely will occur as indicated in the flow chart of sequence of election functions.
- Assign large recurring costs, such as printing or EDP, identified with specific election functions, to specific months on the basis of your flow diagram.
- Apportion office supplies among pay periods on the basis of total staff time each period.
- Enter revenues related to specific election services in the month in which the services are scheduled to be delivered. Review the flow chart to make this determination.

The actual budget request you submit as your justification will have to be transcribed from the worksheets you prepare to the jurisdiction's budget request form.

## **2. Fund Allocation**

During the fund allocation phase of the budget request process, you may be called upon to justify your budget request. The strongest justification for a budget is to explain the impact of funding on the levels of service your office can provide. Often this can be done in a letter that contains in narrative form:

- Proposed service levels
- Proposed unit costs for each service
- Current cost information by function ascertained by cost finding

- Proposed (budgeted) costs by function.

This explanation will be more understandable to those unfamiliar with the election process if you prepare a chart relating the cost of election office functions to appropriate measures of service level.

Exhibit III-6 presents an example of a worksheet for comparing current allocations and service levels with proposed allocations and service levels. This worksheet allows you to compute the approximate costs per unit of service in the current year and compare these with the proposed costs per unit of service for the coming year. In the example, significant additional funds were requested to accomplish the periodic purge of the registration file. Note that unit costs are identical, but the projected number of registration transactions increase from the current year.

## **3. Budget Reconciliation**

Often the legislative body of your local jurisdiction will appropriate an amount to the election office that is different from the amount of your budget request. This will have an impact on the level of services your office can deliver. Your appropriation normally will appear in one of the following two forms:

- A lump sum assigned to the office performing election functions
- A line item appropriation for the office performing election functions that allocates funds among expenditure categories found in your jurisdiction's chart of accounts.

We recommend that you reconcile your appropriation to your budget request by election function. This will provide a clear indication of opportunities to expand or curtail services. You can use an estimated unit cost of services as a



### **Exhibit III-8**

#### **Instructions for Apportioning Budget Allocations by Function**

**Column 1**—Enter budget request by function

**Column 2**—Enter proposed service level. This can be transcribed from the budget justification worksheet comparing the existing allocation with the budget request presented in Exhibit III-6.

**Column 3**—Enter the cost per unit of service. This also can be transcribed from the budget justification worksheet presented in Exhibit III-6.

**Column 4**—Enter service levels proposed in view of budget allocation. Increases over budget requests may enable you to increase service levels, while decreases from budget requests may have the opposite effect.

**Column 5**—Enter cost per unit of service as adjusted to cope with differences between the budget request and the budget allocation.

**Column 6**—Enter amounts you expect to spend for each election office function. This is computed as the product of column 4 and column 5.

base for apportioning your allocation among election functions. Exhibit III-7 presents a six-column worksheet to apportion your allocation by function. Exhibit III-8 presents the procedures for completing this worksheet.

In the sample worksheet, less funds were allocated to voter registration than requested because the legislature expects election officials to obtain cost savings from improved equipment.

It may take several attempts to adjust service volumes and unit costs related to each function so that the total costs summed in column 5 equal the appropriation. Where significant non-election duties are performed by your office, you should consider identifying the duties on this form. You can relate the duties to non-election services and analyze their unit costs for current and future periods in a fashion similar to the analysis of election costs.

For cases in which the appropriation is significantly different from your budget request, it will be necessary to reconsider a large segment of the planning that supported the budget request and to revise the following planning documents:

- Election office checklist
- Staffing requirements
- GANTT chart
- Flow chart.

Where you find that significant changes in unit cost or service volumes are required to reduce your budget request to the level of your appropriation, consider the following strategies:

- Changes in office procedures may bring about cost savings.
- Obligatory service levels may be decreased.
- Volunteer staff may be used to perform some tasks currently being performed by paid staff.

Conversely, increases in allocations over budget requests may be used to increase the types or volume of election services you deliver.

**Exhibit III-9**

**Effect of Procurement Transactions on Periodic Financial Statement Items**

Period 1.31.7X Equipment account before any activity.							
Object of Expense	Approved Budget	Encumbrances Month End	Expenditures Current Month	Expenditures Year to Date	Total Encumbrances and Expenditures Year to Date	Balance Available	Percent of Budget
Equipment	8000	0	0	0	0	8000	100%

Period 2.28.7X Purchase orders issued total \$1500, but invoices paid during month total \$1000.							
Object of Expense	Approved Budget	Encumbrances Month End	Expenditures Current Month	Expenditures Year to Date	Total Encumbrances and Expenditures Year to Date	Balance Available	Percent of Budget
Equipment	8000	1000	500	500	1500	6500	81%

Period 3.31.7X Cash disbursed to liquidate obligations for purchase orders issued in prior month total \$1000.							
Object of Expense	Approved Budget	Encumbrances Month End	Expenditures Current Month	Expenditures Year to Date	Total Encumbrances and Expenditures Year to Date	Balance Available	Percent of Budget
Equipment	8000	0	1000	1500	1500	6500	81%



- No activity occurred in the equipment accounts in January.
- Total amount for equipment in approved budget is available for equipment purchases.

- Purchase orders for equipment costing \$1,000 were issued. Applicable invoices were not paid.
- \$1,000 of elections office budget reserved for future payment of obligation arising from purchase orders. Encumbrances for month end total \$1,000.
- Cash disbursements were made for equipment costing \$500. Expenditures month end and YTD total \$500.
- Encumbrances and expenditures reduce balance available.

- Cash disbursements of \$1,000 were made to liquidate encumbrance outstanding for prior month.
- No additional purchase orders issued; month end encumbrance total zero.
- Only expenditure for month was for liquidation of prior month obligation; expenditures total \$1,000.
- Balance available does not change from the prior month.

When you receive your allocation you will be required to prepare a detailed annual plan that reflects the most current salary and resource price schedules. You can use the worksheet illustrated in Exhibit III-5 to prepare your annual plan by function and by line item.

As you prepare your plan, staff costs should be distributed on the basis of the staffing requirements worksheet that was revised in the process of reconciling your budget request to your allocation. In most cases, revisions will affect the use of temporary, part-time, and overtime hours, not full-time permanent staff. All other budgeted costs are apportioned either by the direct assignment of funds to cover identifiable costs or through estimation on a statistical basis, as in cost-finding.

Most jurisdictions require that you submit a revised spending plan by account category for each month of the fiscal year. You can use the flow chart, revised to take into account differences between the budget request and the budget appropriation, to estimate the months during which funds will be obligated. The process for making these estimates is similar to that described on page 27 for use in preparing the budget request.


Many accounting systems present accumulated year-to-date budgets for each month of the fiscal year. This allows comparisons of the annual budget with year-to-date expenditures and existing encumbrances. Single month comparisons are difficult for many public-sector accounting systems to generate, because several months can pass between encumbering funds for a purchase and the payment of the obligations that causes the encumbrances to be removed.

### **C. Management Control**

We defined management control in the introduction to this volume as the process of bringing an organization into conformity with a desired or planned level of performance. As the manager of the organization responsible for

**Exhibit III-10**  
**Line Item Actual vs. Budgeted Report**

<b>(East Columbia Elections Office, Period: March 1 to March 31)</b>						
<b>Object of Expense</b>	<b>Annual Budget</b>	<b>Year-to-Date Expenditures</b>	<b>Encumbrances</b>	<b>Total Expenditures And Encumbrances</b>	<b>Balance Available</b>	<b>Percent Available</b>
Personnel: Professional	\$ 65,000	\$19,500	—	\$19,500	\$ 46,500	70%
Support	104,000	10,000	—	10,000	94,000	90
Fringe Benefits	40,000	6,000	—	6,000	34,000	85
Total	209,000	35,000		35,000	174,000	83.3
Supplies and Materials	25,000	3,000	—	3,000	22,000	88
Printing	12,000	500	—	500	11,500	96
Postage	7,000	75	—	75	6,925	99
Graphic Arts	10,000	—	300	300	9,700	97
Advertising	6,000	—	150	150	5,850	98
Rental Space	8,000	800	—	800	7,200	90
Office Machine Rental	1,200	200	150	350	850	71
Total Non-Personnel	69,200	4,575	600	5,175	64,025	92.5
Total	278,200	39,575	600	40,175	238,025	85.5



conducting elections in your jurisdiction, you must decide when to exercise management control. Accounting information, when analyzed in conjunction with service volume information, can provide guidance in making this decision.

Where your jurisdiction reports actual versus budgeted expenditures and provides an encumbrance mechanism, we recommend that you analyze statements on an accumulated year-to-date basis. This eliminates the possibility of double counting encumbrances. Exhibit III-9 presents a numerical example of the impact of the encumbrance process on your budget. During the three months covered in the example, the following transactions occurred:

- In February, purchase orders for equipment costing \$1,000 were issued for items requisitioned by the election office. The finance and accounting office encumbered \$1,000 of the election office budget for the future payment of these obligations.

- The finance and accounting office encumbered and disbursed cash in the amount of \$500 on behalf of the election office for equipment purchases. Since the encumbrance and disbursement occurred simultaneously in a single transaction, only an expenditure is recorded in the month end report.

- Encumbrances arising from the obligation of budgeted funds can reduce the amount of funds available for future use. Note that in February, encumbrances and expenditures totaled \$1,500 and reduced the balance available from \$8,000 in January to \$6,500 at the end of February, or 81 percent of the approved budget.

- In March, the finance and accounting office disbursed \$1,000 cash to liquidate the obligation recorded in the encumbrance account as of the end of February. An expenditure of \$1,000 was recorded, but as funds were already encumbered, there was no change in the balance available at the end of March.

There are two basic approaches to the periodic analysis underlying the routine management control decisions. A common approach is to compute monthly the budget balance available after year-to-date expenditures and encumbrances are subtracted. Another approach is to prepare a year-to-date budget by function and compute monthly the budget balance associated with each function. In either approach to periodic analysis, overspending or underspending must be examined in view of service volumes achieved. Where costs are low but service volumes fall below the level planned, you would exercise control in a different way than if costs were low but service volumes exceeded the level planned.

***1. Monthly cost analysis by account category identifies specific purchases that cause disproportionate spending.***

Budget reports for public sector organizations compare the annual budget for each account with the sum of year-to-date expenditures and encumbrances. This enables you to determine whether the sum of money actually spent and the money obligated for payment of claims equals a disproportionate share of the annual budget. Exhibit III-10 presents a sample budget report. Generally, you will be able to achieve sufficient precision for decision making by examining the percentage of the budget available in each summary account. When you assess, if the actual expenditures and encumbrances as a percent of the annual budget is reasonable, you must consider the timing of election activities. In most jurisdictions it is reasonable to incur greater costs in the month of an election than in other months during the year.

A monthly cost analysis by account category has the advantage of simplicity, because the information produced in the normal course of the budget reporting process is used in management decision making. However, there are two distinct disadvantages to this approach:

- Year-to-date cost analysis may disguise off-setting monthly variances, causing the approach to fail to identify

**Exhibit III-11**

**Comparison of Voter Information Costs to Budget**

Function: Voter Information			Month end: June 30			
Account Code	Item	Annual Budget	YTD Expenditures	YTD Encumbrances	Balance Available	Balance Available as Percent of Budget
4110	Personnel Professional	9,500	7,500		2,000	21%*
4111	Support	9,800	6,200		3,600	35%*
4200	Fringe	2,800	2,000		800	29%*
4910	Supplies & Materials	1,500	200	400	900	60%
4512	Printing	2,000	150	600	1,250	63%
4612	Postage	5,850	1,500		4,350	74%
4913	Graphic Arts	2,200	900		1,300	59%
4914	Advertising	1,500	800		700	47%
4310	Rental Space	600	300		300	50%
	Office Machine					
4715	Rental	240	120		120	50%
4710	Telephone	650	325		325	50%
	Total	36,640	19,995	1,000	15,645	43%**

\* Staff spending at mid-year is disproportionately large.  
 \*\* Less than 50% of the budget remains at mid-year.





an opportunity to exercise management control.

■ To determine the cause of overspending or underspending, further analysis is required to identify the relationships of the rate of resource use to election functions.

**2. Cost analysis by election function can relate budget variances to specific election services.** By planning election costs for each function, you set spending targets for the delivery of specific services. As election services are delivered, you can determine if the year-to-date costs of election functions are disproportionate in any given month to the spending targets. From this technique, you can see if overspending or underspending is related to unexpected fluctuations in service levels.

To perform cost analysis by function, you should distribute your annual budget allocation both by function and by line item, as in the budget reconciliation. For each function, you can compare the monthly estimated distribution of year-to-date line item expenditures and encumbrances to your budget. We recommend that you use the following assumptions to apportion both your budgeted line items and your actual election costs.

- Budgeted personnel costs can be apportioned through the revised staff requirement form used in planning.
- Actual personnel costs can be apportioned according to periodic self-reports.
- Major large actual and budgeted costs, such as printing, can be identified with specific functions.
- Remaining actual and budgeted costs, such as office supplies, can be apportioned on some statistical basis such as staff hours per functions.

Exhibit III-11 presents a year-to-date actual versus budgeted report for voter information during the month of June. A careful analysis of this exhibit will reveal that a substantial portion of the annual voter information budget was spent by June 30. The bulk of this disproportionate spending lies in personnel costs. Before taking action, an

election official should go through a four-step analytical process:


■ *Step 1*—Identify the election function and the summary categories of expense that generate disproportionate spending.

■ *Step 2*—Compare actual service level with planned service level to determine whether demand for service has changed sufficiently to warrant a budget modification.

■ *Step 3*—Compare actual expenditures and encumbrances with revised budget.

■ *Step 4*—If disproportionate spending does not warrant an immediate budget modification, determine significance by calculating the variance as a percent of the year-to-date budgets for the function and for the election office.

There are a number of strategies you can employ to reduce disproportionate spending. Where spending consistently exceeds budgets, you may want to examine the feasibility of developing new office procedures to handle registration transactions, candidate filings, and public inquiries. Often you can reduce costs by judicious use of automated information processing. Excessive personnel costs often result from too much senior staff or too much staff overtime. By setting limits to the amount of overtime you will tolerate before hiring new staff, you may be able to acquire additional work hours without paying overtime rates to existing staff.



There is no single correct management control strategy. However, you should strive for two types of efficiency:

- *Work efficiency*—to accomplish election functions and provide desired service levels with the least number of paid and volunteer employee hours

- *Cost efficiency*—to accomplish election office functions and provided desired service levels at least cost.

Work efficiency is a measure of how well you deploy your staff. Cost efficiency is a measure of how well you select the type and quantity of resources used to perform election functions.

Accounting and statistical information improve the ability of election office directors to exercise management control. However, perfect information does not ensure that managers will make perfect decisions. Nor does poor information necessarily relegate a manager to poor decision making. Judgment in using available information to make timely decisions is the mark of a good manager.



**Appendix I  
Acquiring Accounting  
Information**





# Appendix I

## Acquiring Accounting Information

As you prepare and justify your budget request and manage the funds allocated for election functions, you may have cause to investigate the amount or purpose of individual transactions. In the subsections that follow, we will present an overview of three accounting system components commonly used by local governments:

- Payroll
- Purchasing
- Revenue receiving.

Almost all election office transactions involve either payments to staff, the purchase of goods and services, or the receipt of cash payments.

The discussion that follows will acquaint you with the basic terms used by accountants. We will describe key documents and indicate with whom the responsibility for filing these documents usually lies. This material provides background information to assist you in planning your budget and controlling your funds. Documents discussing your jurisdiction's specific procedures are probably available from your accounting department.

### A. The Payroll Process

The largest category of costs facing most election offices is incurred for the payment of staff. In most jurisdictions, the election office will record time worked by each employee and submit this to the payroll division in the jurisdiction's accounting department.

Accounting departments generally prepare three payrolls:

- Monthly payroll for professional workers
- Bi-weekly payroll for non-professional workers
- Weekly payroll for hourly employees.

A large portion of the variation in payrolls from month to month can be attributed to the amount of overtime, part-time, and hourly payments claimed each pay period. These categories of payment vary each period with type and volume of election services delivered.

For each pay period cycle, your local jurisdiction undertakes a payroll process similar to that presented in the flow diagram in Exhibit A-I-1. The column headings in the exhibit indicate that to prepare an election office payroll requires the participation of:

- Election officials
- The payroll section of the accounting department
- The general accounting section.

There are 13 steps in the payroll process:

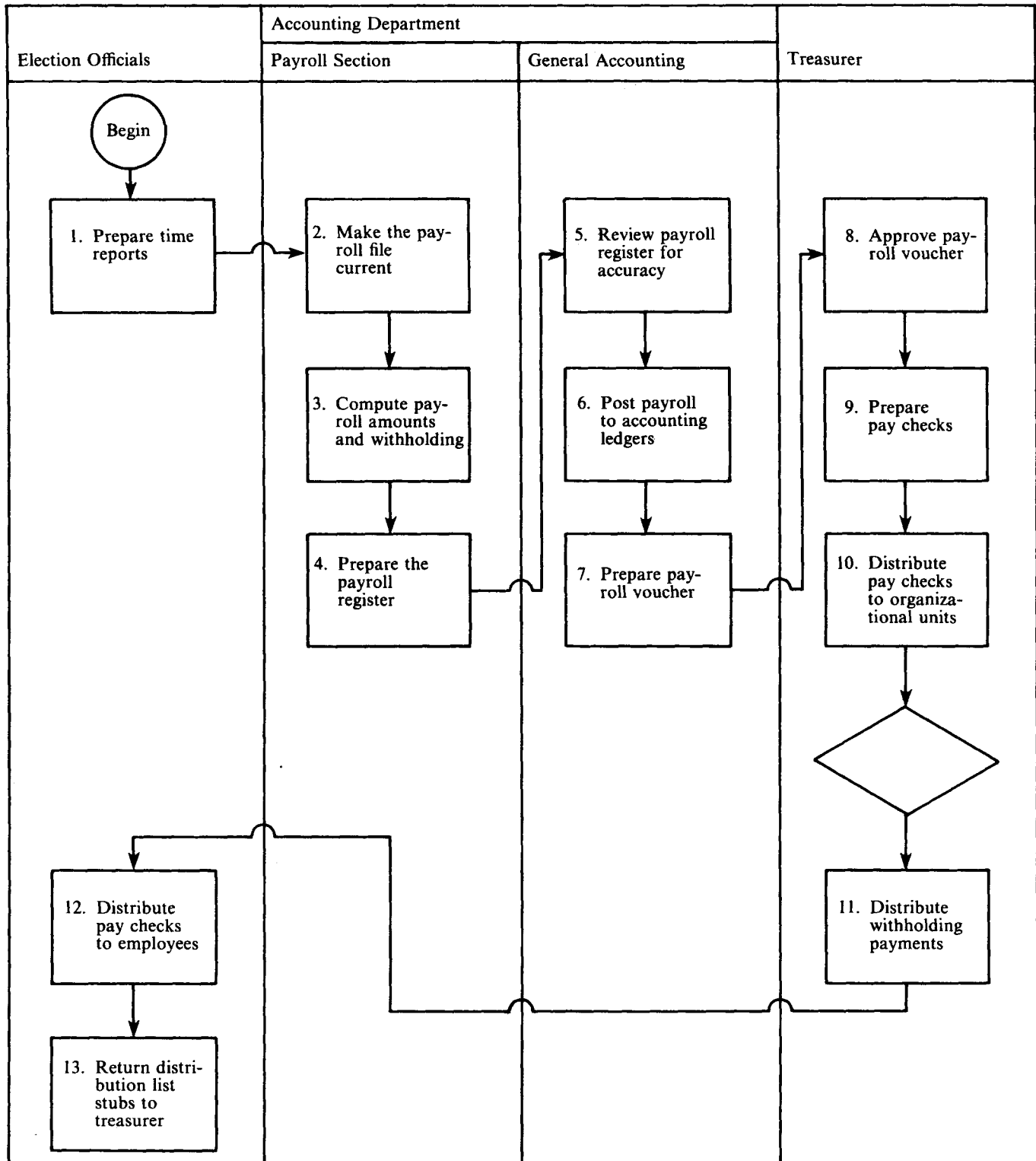
**Step 1—Prepare Time Reports**—Election office personnel furnish the following information concerning time worked (hours) on time reports to the payroll division of the local government's finance and accounting office:

- Paid hours
  - Regular
  - Overtime
  - Sick leave
  - Holiday leave
  - Vacation
- Non-paid hours
  - Personal leave
  - Sick leave (beyond set limits)
  - Educational leave
- Other

**Step 2—Make the Payroll File Current**—The payroll division makes current a master payroll record or file that includes the following information for all authorized employees of the local government:

- Employee name
- Employee number (coded to indicate the organizational unit where the employee works)
- Employee job classification
- Authorized pay/rate
- Date of hire
- Number of withholding tax exemptions.

**Exhibit A-I-1**  
**Overview of Payroll Process**





**Step 3—Compute Payroll Amounts and Withholding—**The time reports are used by the payroll division to compute the amount earned by each employee for the pay period.

**Step 4—Prepare the Payroll Register—**The payroll register includes the following information for each employee:

- Employee name
- Employee number
- Authorized pay/rate
- Hours worked by type (regular, overtime, vacation, sick, holiday) for the pay period
- Number of non-paid hours
- Gross wages earned (pay/rate times hours worked for hourly employees' authorized salaries for salaried employees)
- Withholdings for federal, state, and local taxes, and other authorized deductions (fringe benefits or charitable causes)
- Net pay

The payroll register usually presents earnings and withholdings amounts for both the current period and the year to date.

**Step 5—Review Payroll Register for Accuracy—**The payroll register is forwarded to the general accounting section where it is edited for accuracy.

**Step 6—Post Payroll to Accounting Ledgers—**The payroll register is used to post the gross and net payroll amounts, tax, and other withholding amounts to the general ledger.

**Step 7—Prepare Payroll Voucher—**General accounting section prepares a voucher for the gross payroll amount. Some payroll systems use a special bank account for payroll and other payroll-related payments. Consequently, only one voucher need be prepared for the payroll each pay period.

**Step 8—Approve Payroll Voucher—**The voucher is approved by the local government's treasurer, based upon a review of the payroll and supporting documents.

**Step 9—Prepare Paychecks—**The payroll checks are prepared by the office of the treasurer and batched according to organizational unit. Pay stubs are prepared indicating the amount of each employee's paycheck.

**Step 10—Distribute Paychecks to Organizational Units—**The paychecks are distributed by the treasurer to organizational units along with pay stubs.

**Step 11—Distribute Withholding Payments—**The treasurer prepares checks to cover withholding taxes and fringe benefit payments. Checks are drawn against the payroll account and should equal the difference between the amount deposited in the payroll account and the amount drawn against the account for the net pay of employees.

**Step 12—Distribute Paychecks to Employees—**When paychecks are distributed to election personnel, employees are requested to initial pay stubs to indicate they have received their checks.

**Step 13—Return Pay Stubs to Treasurer—**Election personnel return initialed check stubs to treasurer.

The payroll process generates a large volume of information. Exhibit A-I-2 presents a chart indicating the pieces of information that can be found on various payroll documents. In some jurisdictions the entire payroll process will be manual, while other jurisdictions will automate large components of the process.

Where automation has occurred, usually the payroll master file and the payroll register are maintained on computer tape or cards. Time reports, vouchers, and pay stubs will still exist, however, as paper forms. If you require access to either the payroll master file or the payroll register, your accounting division should be able to obtain a printout of the information filed on computer tape.

**Exhibit A-I-2**

**Matrix of Source Documents of Payroll Data**

Payroll Information	Payroll Documents					
	Time Report	Master Payroll File	Payroll Register	Voucher	Cancelled Pay Checks	Pay Stubs
Employee Name	X	X	X		X	X
Job Classification	X	X	X			
Hours worked	X		X			
Hours worked but not paid	X		X			
Hours sick leave	X		X			
Hours holiday leave	X		X			
Hours overtime	X		X			
Hours annual leave	X		X			
Authorized salaries		X	X			
Authorized pay rates		X	X			
Gross payroll amounts			X	X	X	
Net payroll amounts			X	X	X	X
Overtime paid			X			
Withholdings			X		X	
Fringe benefits				X	X	
Date of hire		X				
Withholding exemption		F				
Year-to-date earnings		X				





## B. The Procurement Process

The procurement of services, supplies, materials and equipment for all governmental organizations (including the election office) is the responsibility of the jurisdiction's purchasing department. The procurement of election resources is recorded in a series of transaction documents that are routed among the following participants in the procurement process:

- Election officials
- Purchasing department
- Accounting department
- Local government treasurer
- Vendors.

The purchasing process normally used by governmental jurisdictions is designed to meet the following objectives:

- The purchase of goods and services meet approved specifications
- The delivery of goods and services on time
- The purchase of goods and services at the lowest available price consistent with quality and delivery requirements
- The establishment and maintenance of good vendor relations.

Exhibit A-I-3 presents a flow diagram of the process by which goods or services normally are purchased. There are twelve steps in the procurement process:

**Step 1—Prepare Requisition**—Organizational units, prepare requisition forms that include the following information:

- Account code to classify purchase transaction
- Description of goods and services requisitioned
- Quantity
- Unit price—when available
- Total price—when available
- Signatures of officials authorized to make purchases.

**Step 2—Issue Purchase Order to Vendor**—Prices are checked with the vendor and purchase orders are approved

if sufficient funds remain in the organizational units budget. A contract may also be prepared for vendor services.

**Step 3—Verify Fund Availability and Record Obligation**—Upon receipt of the purchase order, the finance and accounting office verifies that sufficient funds exist, then records an obligation in the accounting records. The obligation encumbers funds in the amount shown on the purchase order from the organizational unit budget to pay for the goods and services.

**Step 4—Prepare Invoice and Make Delivery**—When the vendor receives the purchase order, goods are delivered or services are performed. The vendor accompanies delivery with a invoice to bill the finance and accounting office. The invoice is an itemized statement of the quantity goods or services purchased and their prices.

**Step 5—Prepare Receiving Report**—Organizational units compare the items received with the requisition and the purchase order for compliance with specifications.

A receiving report is prepared to document:

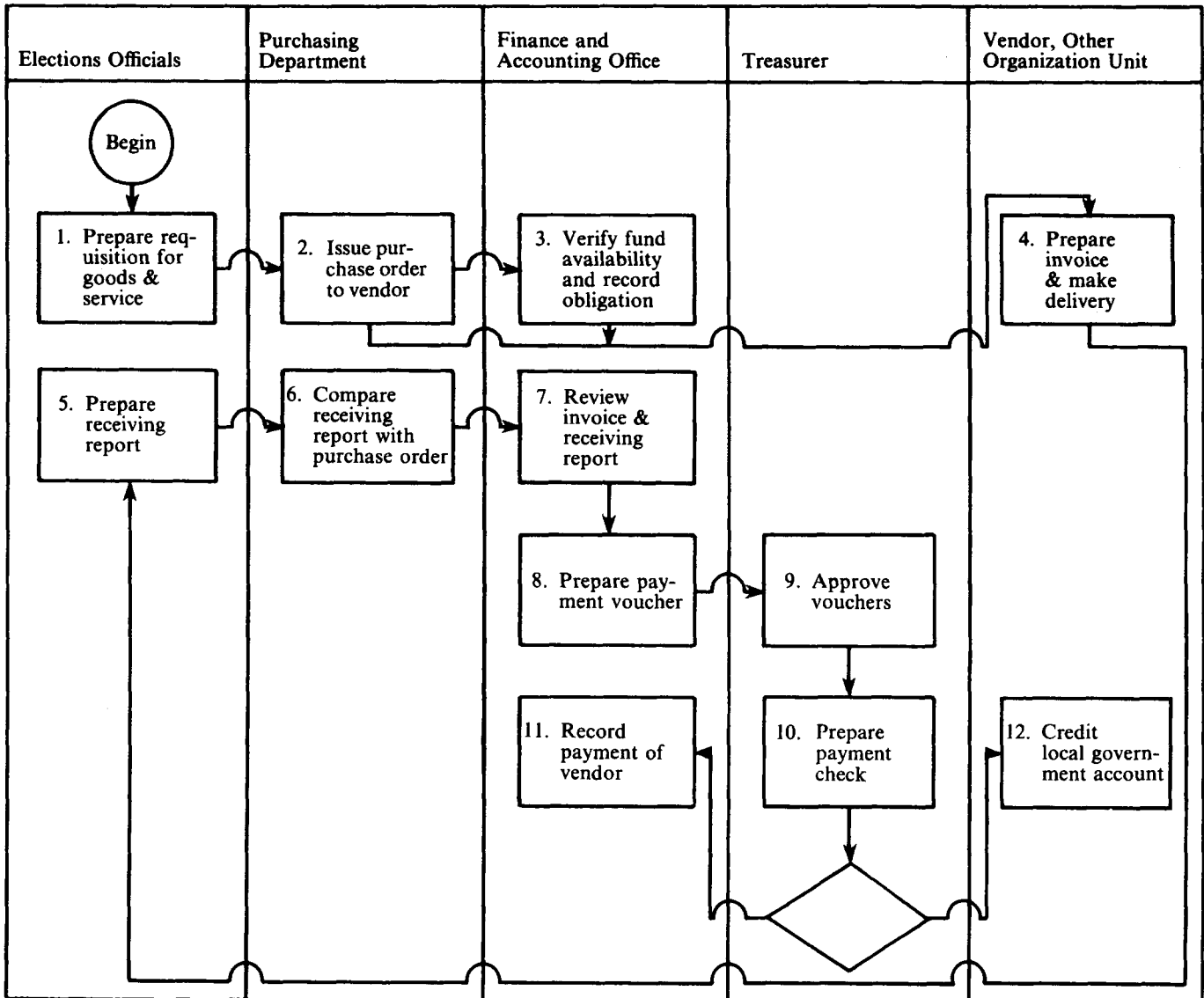
- The quantity of goods or services received
- A description of the items received
- A description of the condition of items received.


Copies of the receiving report are forwarded to the purchasing department and the finance and accounting office.

**Step 6—Compare the Receiving Report with the Purchase Order**—The purchasing department compares the receiving report with the purchase order and alerts the finance and accounting office of any discrepancies that might delay or reduce payment of the vendor's invoice.

**Step 7—Review Invoice and Receiving Report**—The finance and accounting office receives copies of the invoice the requisitions, the purchase order and the receiving reports. The finance and accounting office then approves the invoice after checking the clerical accuracy of the documents.

**Exhibit A-I-3**  
**Overview of Procurement Process**





**Step 8—Prepare Payment Voucher**—The accounting office prepares a voucher containing the following information:

- Date prepared
- Payee (vendor)
- Amount due
- Invoice number.

The voucher authorizes cash disbursements.

**Step 9—Approve Vouchers**—The local government treasurer or the Director of Finance is responsible for cash disbursements. When vouchers and supporting documents are received from the finance and accounting office, they are checked again for clerical accuracy. The voucher and the supporting documents are kept for a reasonable period of time to prove cash disbursement was related to a proper obligation.

**Step 10—Prepare Payment Check**—The local government treasurer then prepares a check payable to the vendor for the goods or services received.

**Step 11—Record Payment of Vendor**—Notice is given to the accounting office that the voucher has been paid, payment is recorded, and the encumbrance is reduced in the accounting ledgers.

**Step 12—Credit Local Government Account**—Upon receipt of the check, the vendor credits the local government account, thus indicating that the government has fulfilled its obligation to make payment.

In some jurisdictions elections officials are permitted to contract directly with vendors. In these cases the purchasing department is presented with a copy of the contract as the basis for issuing a purchase order. The documents used during the procurement process are retained to demonstrate that all purchases were made in accordance with state and local statutes. Exhibit A-I-4 presents an example of a procurement transaction that identifies the source of information available from each type of document.

The cost information provided by these documents takes three forms:

- Estimated cost
- Bid price
- Actual amounts paid.

Requisitions are prepared from catalogues or vendor price lists that may not contain exact or current costs. Election officials make wide use of requisitions to determine specific costs for budget and control purposes. Requisitions are the most accessible of the procurement documents because they are initiated by the organizational unit, and file copies normally are retained.

Purchase orders may contain actual, bid, or estimated costs. For cases in which catalogue or price list costs agree with actual amounts paid, purchase orders provide actual cost data. Often, governmental units and other entities have open purchase order agreements with one or more vendors. These arrangements have open purchase order agreements with one or more vendors. These arrangements allow an organization to engage in multiple transactions up to a specified dollar value without requiring the buyer to process additional purchase orders. The finance and accounting office encumbers the total amount in the open purchase order, and thereby provides a reserve of funds to pay for individual purchases. Open purchase orders are common for recurrent expenses, such as minor materials and supplies.

Contracts may contain estimated or actual costs depending upon the type of contract involved. Fixed fee contracts contain actual costs, while time and materials and cost plus fixed fee contracts contain estimated costs. The one document that contains actual cost information for each transaction is the payment voucher. The record of actual expenditures in each account listed on the chart of accounts is prepared from the information on the payment voucher.

**Exhibit A-I-4****Sample Procurement Transaction**

Transaction	Source Document	Source of Cost Information	Dollar Value
■ Elections officials prepare requisition for registration card files equipment and issues to purchasing department.	Requisition Form	Vendor Catalogue	\$1,400
■ Purchasing department orders equipment from vendor.	Purchase Order	Vendor Price Lists	\$1,500
■ Vendor bills finance and accounting office for equipment ordered by purchasing department.	Invoice (invoice offers 2% discount if payment made within 10 days of invoice).	Vendor cost accounting and pricing policies.	\$1,500
■ Elections officials receive file and notes partial shipment (file drawers not delivered).	Receiving Report	Proration of Invoice cost to items received	\$ 750
■ Treasurer pays partial bill taking 2% discount.	Voucher Cancelled check	Invoice and receiving report.	\$ 735 (\$750 less 2% of \$750 or \$15)



### C. Revenue Receiving

Although the elections are not conducted to produce income or make profits, revenues are often received in the process of performing election-related functions. Some revenues result from efforts to offset the cost of election functions by selling such items as election calendars and precinct registration listings. Election revenues may include the following items:

■ *Candidate Filing Fees*—Candidates for elective offices in some jurisdictions may pay filing fees for processing candidacy documents.

■ *Publication Sales*—Election officials may produce election calendars, registered voters lists, and compilations of election returns. These publications are usually sold to the general public, candidates, and political parties at cost.

■ *Reimbursements*—Jurisdictions often are reimbursed for the cost of conducting special district elections.

■ *Salvage*—The election officials may sell old equipment and furniture when they are replaced. Funds raised in this manner are called salvage.

Most jurisdictions require each organizational unit to prepare a revenue budget despite the fact that revenue usually reverts to the jurisdiction's general fund. A county clerk, who is also responsible for performing the election functions, may want to add additional categories of revenues to the chart of accounts for classifying other fees, licenses, and payments collected from the public.

It is rare that jurisdictions report revenue to an organizational unit by source or revenue classification. Consequently, you may have to approach participants in the receiving process for these data. Exhibit A-I-5 presents an overview of the revenue receiving process. The process involves the following participants:

- Election officials
- Accounting department
- Comptroller
- Cashier

#### ■ Treasurer.

While the accounting office usually reports to the comptroller and the cashier usually reports to the treasurer, distinctions were made in Exhibit A-I-5 to illustrate their specific duties.

Either election officials or the cashier may receive the cash receipts from revenue-producing election functions. For this reason, the flow of revenue processing steps may begin with either the election officials or the cashier. The basic procedures are the same, regardless of which office initially receives the cash. A revenue transaction is processed as follows:

**Step 1—Receive Cash**—Election officials or the cashier receive cash receipts. The receipts may be in currency or check form and may be received over the counter or by mail.

**Step 2—Prepare Remittance Advices**—Remittance advices are prepared for each cash receipt, listing:

- Source of revenue
- Date received
- Account code
- Amount.

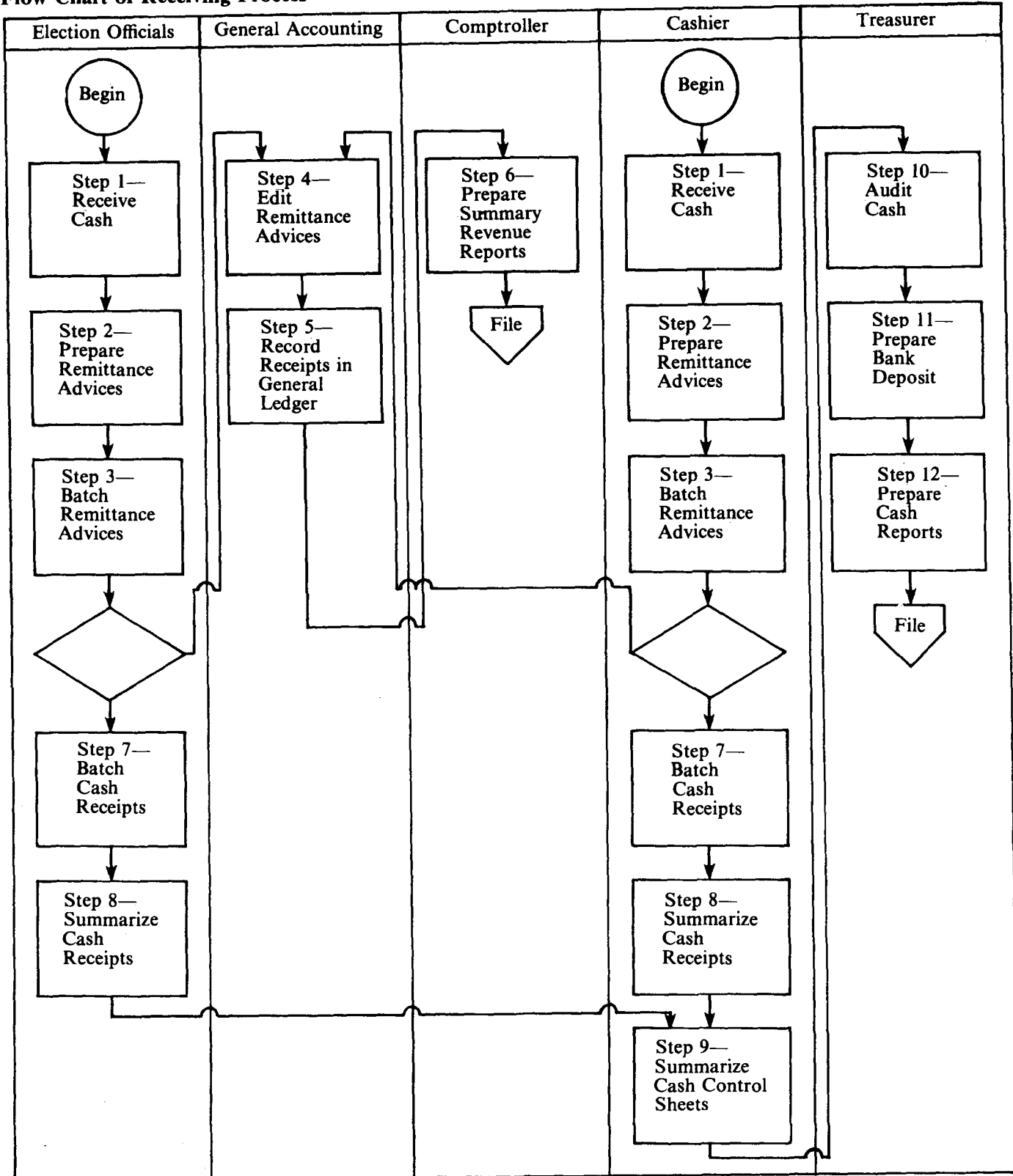
**Step 3—Batch Remittance Advices**—The remittance advices are batched according to source or account code.


**Step 4—Edit Remittance Advices and Control Sheets**—Control sheets listing the total amount of each batch of remittance advices are prepared daily. These control sheets provide means for the accounting department to investigate errors or irregularities in accounting for cash receipts.

**Step 5—Record Receipts in the General Ledger**—The control sheets and remittance advices are sent to the accounting department, where clerks edit them and record them in the ledgers.

**Step 6—Prepare Summary Revenue Reports**—The Comptroller prepares a revenue report summarizing receipts of revenues listed in the chart of accounts.

**Exhibit A-I-5  
Flow Chart of Receiving Process**





**Step 7—Batch Cash Receipts**—Cash receipts are counted and sorted into batches as prescribed in your jurisdiction’s accounting procedures.

**Step 8—Summarize Cash Receipts on Control Sheets**—Control sheets are prepared giving batch totals.

**Step 9—Summarize Control Sheets**—The cashier summarizes the control sheets from all organizational units of the local government.

**Step 10—Audit Cash**—The treasurer audits the cash received and reconciles the totals to the control sheet.

**Step 11—Prepare Bank Deposit**—A bank deposit slip and the cash receipts the treasurer prepares are deposited in a bank account.

**Step 12—Prepare Cash Reports**—The treasurer prepares periodic cash reports listing cash received from each organizational unit.

To acquire information about revenues, you could either consult the comptroller’s summary revenue report or your own record of remittance advices. Your jurisdiction’s cashier accumulates cash from all organizational units. After a summary of the cash control sheet is prepared, neither the cashier nor the treasurer retains records that identify revenues with specific organizational units.



**Notes:**





**Appendix II  
Election Office  
Cost Distribution Forms**



**Exhibit A-II-3**

**Cost Worksheet: Voter Registration**

Period FY \_\_\_\_\_

Object of Expense	Account Number	Quantity	Total Cost	Estimated Unit Cost
Personnel: Professional Support Fringe				
Benefits				
Supplies and materials				
Printing				
Postage				
Advertising				
Contractual services				
Rental space				
Equipment				
Voting registry equipment				
Office machine rental				
Microfilm equipment				
EDP equipment rental				
EDP operating costs				
Transportation				
Contractual services				
Legal services				
Graphic arts				
Data processing-keypunch				
-----	-----	-----	-----	-----
Total				

**Service Levels**

■ Number of eligible voters















**Exhibit A-II-9**

Cost Worksheet: Administration

Period FY \_\_\_\_\_

Object of Expense	Account Number	Quantity	Total Cost	Estimated Unit Cost
Personnel: Professional Support Fringe Benefits				
Supplies and materials				
Central office space rental				
Furniture				
Office machines				
Printing				
Postage				
Telephone				
Utilities and maintenance				
Transportation				
Contractual services				
Data processing-Report prep.				
Reference materials				
Professional dues				
Graphic arts				
Insurance				
<b>Total</b>				

Service Levels



**Appendix III**  
**Time Distribution Form**



**Notes:**

**Exhibit A-III-1**  
**Proportional Time Distribution by Function**

Employee:	Staff Classification:												
Function	Month												
	J	F	M	A	M	J	J	A	S	O	N	D	Total
■ Precinct Definition													
■ Voter Registration													
■ Certification of Qualifications													
■ Campaign Finance and Control													
■ Voter Information													
■ Balloting													
■ Tabulation													
■ Certification of Results													
■ Non Election Functions													
■ Administration													
■ Sick & Annual													
■ Toal Hours													



**Notes:**



**Worksheets**



**Worksheet to Schedule Staff Hours**

Employee:	Staff Classification:												
Function	Month												
	J	F	M	A	M	J	J	A	S	O	N	D	Total
■ Precinct Definition													
■ Voter Registration													
■ Certification of Qualifications													
■ Campaign Finance and Control													
■ Voter Information													
■ Balloting													
■ Tabulation													
■ Certification of Results													
■ Non Election Functions													
■ Administration													
■ Sick & Annual													
■ Toal Hours													



**Sample Time Report**

Election Staff Time Report							
Employee:							
Position:				Week beginning:			
Function	M	T	W	Th	F	S	S
■ Precinct Definition							
■ Certification of Qualification							
■ Voter Registration							
■ Campaign Finance and Control							
■ Voter Information							
■ Balloting							
■ Tabulation							
■ Certification of Results							
■ Non-Election Duties							
■ Sick and Annual Leave							
■ Administration							





Federal Election Commission  
Clearinghouse for Election Administration  
Washington, D.C. 20463

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