

**Functional Series [600](#)  
Budget and Finance**

**INTERIM UPDATE 05-04**

**SUBJECT:** Uniform Accruals Materiality Threshold, to be included in ADS 631,  
Accrued Expenditures

**NEW MATERIAL:** This notice supercedes the general notice dated December 14, 2004, with this subject: Accruals Materiality Threshold for USAID/W and Phoenix Missions. This revision rescinds the Mission Accounting and Control System (MACS) accruals materiality threshold (starting with the June 2005 accruals cycle) and establishes a uniform materiality threshold for estimating and reporting accruals in both USAID/W and Missions.

**EFFECTIVE DATE:** 03/22/2005

POLICY

USAID/General Notice  
M/MPI and M/FM/A  
03/24/2005

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Accrued Expenditures

This notice supercedes the general notice dated December 14, 2004, with this subject:  
Accruals Materiality Threshold for USAID/W and Phoenix Missions.

This revision rescinds the Mission Accounting and Control System (MACS) accruals materiality threshold (starting with the June 2005 accruals cycle) and establishes a uniform materiality threshold for estimating and reporting accruals in both USAID/W and Missions.

All Cognizant Technical Officers (CTOs) and other Obligation Managers are responsible for developing accruals on all material obligations, including trust fund obligations, on a quarterly basis. [For the purpose of this notice, the term "obligation" refers to unilateral obligations or bilateral sub-obligations, including but not limited to all procurement or purchasing instruments and travel orders (TOs).]

The accruals materiality threshold requires expenditures to be accrued for obligations of \$10,000 or more AND has an unliquidated balance of \$2,000 or more.

Do not accrue expenditures if the obligation/award:

- 1) Does not meet the above accruals materiality threshold
- 2) Has expired and no further costs are anticipated
- 3) Is in close-out status

Point of Contact: Any questions concerning this Notice may be directed to Gloria White, M/MPI, 202-712-5339, or Jeff Carr, M/FM/A, 202-712-0124.

Notice 0374

<b>File Name</b>	<b>Notice Date</b>	<b>Effective Date</b>	<b>Editorial Revision Date</b>	<b>ADS CD No.</b>	<b>Remarks</b>
IU6_0504_032905_cd39	03/24/05	03/22/05		CD 39	This IU will remain valid until ADS 631 is revised.

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