

(Copy)

Oct. 15, 1919.

Chief Accountant

J. M. Luney, Chief Clerk, Denver.

Budget F. Y. 1920 - Changes in encumbrances for other fiscal years made in this F. Y.

1. I have a copy of Mr. Meyer's letter of Oct. 11, addressed to Mr. Gullickson, in further reference to the budget, and he also included a copy of his budget report for September. I understand now the purpose of Mr. Meyer's column "Changes in encumbrances for other fiscal years made in this F. Y.", and to make the statement balance exactly, of course some such adjustment will have to be made.

2. My impression was that contingent obligations added to the balance on Form 7-856 should include outstanding orders, and I believe this is the case on most of the projects as outstanding orders are carried as contingent obligations. If this has been done, the objection mentioned in the last paragraph on page 1 of Mr. Meyer's letter will be overcome. Of course, at the close of the fiscal year, the project will always have to bear in mind that a certain proportion of the outstanding orders carried as contingent obligations which may be chargeable against the current allotment will not be so charged, but will be charged against the succeeding allotment on account of deliveries not being made until after the close of the fiscal year.

Copy to Mr. Gullickson, Boise, Idaho.

" " Mr. W. A. Meyer, Browning, Mont.

(Signed) F. L. Cavis.