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MEMORANDUM

TO: Agency Finance Directors

FROM: Statewide Accounting Services & Financial Reporting
Statewide Payroll/Accounts Payable

SUBJECT: Fiscal Year 2014-2015 Year-End Procedures
Fiscal Year 2015-2016 Beginning of Year Procedures

DATE: March 20, 2015

This Memorandum provides instructions to State Agencies to comply with the Comptroller General's procedures.

FY 2014-15 End-of-Year and FY 2015-16 Beginning-of-Year Accounting Procedures

Please refer to section 118, and particularly Proviso 118.1 of the 2014-2015 Appropriations Act for specific year-end appropriation and expenditure requirements.

Definitions:

Current Fiscal Year = FY 2014-15

New Fiscal Year = FY 2015-16

Period 12: June 1 – July 16, 2015 for FY 2014-15 items

- Accounts Payable transactions closed on July 14
- Use tax payments should be paid by July 16 for FY15 related activity

Period 13: July 1-24, 2015 for FY 2014-15 reclassifications and clean up

- All other posting limitations outlined to follow on July 24
- Please carefully review page 3 (within this memo) for posting dates and period indicators

Period 14: Open from July 27, 2015 to October 15, 2015 for FY 2014-15 audit adjustments only for agencies that submit information by audited financial statements for inclusion in the CAFR.

Period 15: Restricted only for use by Statewide Accounting and Financial Reporting. This period is used for CAFR reporting entries.

Period 16: Restricted only for use by Statewide Accounting and Financial Reporting. This period is used for statewide audit adjustments.

Period 01: July 1 – August 14 recording Period 01, FY 2015-16 transactions.

Procedures:

1. DEADLINES FOR SUBMITTING A/P DISBURSEMENTS, JOURNAL VOUCHERS AND BUDGET TRANSFERS TO THE COMPTROLLER GENERAL'S OFFICE

- **July 14** – Last day to enter transactions for processing into Period 12, 2015. All A/P disbursement documents must be received in the Comptroller General's Office workflow no later than 5:00 PM for processing in FY 2015. A/P disbursement documents received after July 14, 5:00 PM will be rejected.
- **July 16** – Last day to process June use tax via IDT. Entries must be received in the Comptroller General's Office workflow no later than 5:00 PM for processing in FY 2015.
- **July 24** – Last day for agencies to enter correcting journal entries for processing into Period 13, 2015. All documents must be received in the Comptroller General's Office workflow no later than 5:00 PM for processing in FY 2015. Journal Entry documents received after July 24, 5:00 PM will be rejected.
- **August 14** – Last day to enter transactions for processing into Period 01, FY 2016.

2. DEADLINE FOR PROCESSING PAYROLL PAYMENTS TO TERMINATED EMPLOYEES:

The State should make all payments by July 31, 2015 for amounts due to employees, including retirees, who terminate State employment on or before June 30, 2015. This means that payments for annual leave and other types of compensated absences should be included in the payroll that will be dated July 16, 2015. If the required payments were not processed in July, additional analysis and information will be required by the Reporting Package Control Checklist (Master Reporting Package, Section 2.0 of the Year-End Reporting Procedures Manual).

3. IMPORTANCE OF PERIOD INDICATOR:

Selection of editing option in FV50 to display the Period field for entry:

- Select transaction FV50
- Select Editing Options (icon with the pencil, upper right)
- Under Special Options for single screen transactions select:
 - D/C indicator as +/- sign
 - Display periods
 - Posting in special periods possible
- Click on the red disk icon to Save

This will allow the posting in period 12 or 13 as a selection, in addition to the Posting Date being 06/30/2015.

During July, two fiscal years will be open (FY 2015 and FY 2016) in SCEIS. Period 12 of FY 2015 is open to process payments for goods and services **received** on or before June 30, 2015, but for which invoices are processed after that date. **As indicated above, Period 13 (July 15 – 24) is available for adjusting entries.**

Also during July, Period 01, FY 2016 is open to process payments for goods or services received on or after July 1, 2015.

POSTING DATE: SCEIS will use the “Posting Date” of each transaction to determine the fiscal year as follows:

“Posting Date” must be 06/30/2015, for transactions processed after June 30 but to be reflected in Period 12 through July 14 or Period 13 from July 1 – 24 (FM13 in STARS).

The transactions processed through ZTRAVEL also must have a posting date of 06/30/2015 to be posted in FY15, similar to other SCEIS expenditures during this period.

“Posting Date” must be the default date or current date (July 1 – 31 posting date) if the transaction is to be posted in Period 01, FY 2016.

4. SEPARATE JOURNAL ENTRY INPUT DOCUMENTS FOR PREVIOUS FISCAL YEAR AND NEW FISCAL YEAR:

Transactions affecting multiple fiscal years cannot be processed with the same transaction/document.

Each separate transaction must be processed against one fiscal year. Transactions for Period 12, FY 2015, Period 13, FY 2015 and Period 01, FY 2016 must be entered as separate transactions or documents.

5. ZERO-BALANCE CLEARING FUNDS:

Clearing funds must have a zero balance at fiscal year-end. These funds should be reviewed for activity throughout the year-end close out and any amounts recorded should be transferred to the proper account assignment and fiscal period. Transactions to transfer such balances must be entered on or before July 14.

6. APPROPRIATIONS CARRIED FORWARD FROM PREVIOUS FISCAL YEAR INTO NEW FISCAL YEAR:

A. Special Proviso Carryforward Authority:

Agencies with separate authority to carry forward General Fund appropriations to the new fiscal year must process budget transactions in SCEIS by July 31 in order to receive carryforward approval from the Executive Budget Office. Agencies with non-recurring Other funds should process a budget transaction in SCEIS to carry forward remaining balances.

Use transaction code FMBB to carry forward appropriations for the Period 12, FY 2015 to Period 01, FY 2016 and complete the following fields as shown:

- Process Carry Over
- Document Type CFWD (Carryforward)
- Version 0
- Sender Fiscal Year 2015
- Budget Type CFSP
- Period 12
- Receiver Fiscal Year 2016
- Budget Type CFSP
- Period 01

On each line item, you must reference the specific applicable Proviso or permanent statute related to the carryforward authority in the text field. Failure to do so will result in the Executive Budget Office rejecting the transaction.

B. 10% Carryforward Appropriations:

Proviso 117.24 of the 2014-2015 Appropriation Act gives each agency authorization to carry forward a percentage of unspent General Fund appropriations to the next fiscal year. The percentage is applied to each agency's original General Fund appropriations (less any appropriation reductions, subject to any other carryforward provisions). This proviso shall be suspended if necessary to avoid a fiscal year-end General Fund deficit.

Agencies must implement additional/adequate controls/procedures to ensure expenditures effecting carryforward are posted no later than July 24.

Prior to closing the State's books for the previous fiscal year, the Comptroller General's Office, working with the Executive Budget Office, will transfer all remaining line-item appropriation balances for each agency to temporary account assignments – Funded Program 8900.000000X000 "Statewide Carryforward Appropriations" and Commitment Item 561000 "Miscellaneous Operations" within each agency. The Comptroller General's Office, working with the Executive Budget Office, will determine each agency's carryforward amount in accordance with Proviso 117.24 and make the necessary entries.

Agencies will not be permitted to make expenditures against this temporary account. Instead, once an agency has determined how it will spend these funds, it must process an FMBB transaction to move the appropriations within the agency's normal account assignments.

C. Carryforward of Capital Project Budget

Capital Project budget balances remaining in FY2014 should be carried forward to FY2015.

Use transaction code FMBB to carry forward appropriations for the Period 12, FY 2015 to Period 01, FY 2016 and complete the following fields as shown:

- | | |
|------------------------|-------------------------|
| - Process | Carry Over |
| - Document Type | CAPR (Capital Projects) |
| - Version | 0 |
| - Sender Fiscal Year | 2015 |
| - Budget Type | CAPR (Capital Projects) |
| - Period | 12 |
| - Receiver Fiscal Year | 2016 |
| - Budget Type | CAPR (Capital Projects) |
| - Period | 01 |

7. EARMARKED, RESTRICTED AND FEDERAL APPROPRIATIONS:

Current fiscal year Earmarked (3XXXXXXX), Restricted (4XXXXXXX) and Federal (5XXXXXXX) fund appropriations will lapse July 31. New fiscal year appropriations for these funds should have been included in the 2015-16 Appropriations Act. To add or increase appropriations for Earmarked (3XXXXXXX), Restricted (4XXXXXXX) and Federal (5XXXXXXX) fund details in the new fiscal year, agencies must process a FMBB transaction (Process – Supplemental, Document Type – BDAJ).

Current fiscal year appropriations for 3XXXXXXX, 4XXXXXXX and 5XXXXXXX fund details will be held open for the processing of documents relative to Periods 12 and 13, FY 2015.

8. CASH BALANCES DURING JULY:

Although current fiscal year appropriations for Earmarked, Restricted and Federal funds lapse, cash balances remaining in these funds will be brought forward into the new fiscal year.

Cash balances for current fiscal year accounts will be pooled with new fiscal year cash balances during July. FY 2016 transactions will not overdraw cash accounts if there is available cash from FY 15 and FY 2016 combined.

Use transaction FAGLB03 or ZGLA (account group SC_CASH_AVAIL_EDIT_CBF) as this transaction has the cash carryforward balance included. FAGLL03 does not include the cash carryforward.

9. DEPOSITS WITH THE STATE TREASURER:

See the enclosed letter from the State Treasurer's Office.

10. APPROPRIATIONS FOR NEW FISCAL YEAR:

Appropriations for the new fiscal year will be loaded into SCEIS as soon as available. There will be a notification to agencies when this occurs.

Budgets will be loaded into SCEIS at the level existing in PBF and approved by the Legislature. Earmarked (30000000) and Restricted (40000000) remaining at the high level must be transferred from the highest level fund to the specific fund prior to processing transactions in FY 2016. Federal (50000000) funds do not have to be transferred from the high level in SCEIS to process transactions.

11. PARKED DOCUMENTS:

Parked documents must be processed or deleted by 5:00 PM on July 24, 2015. To determine parked documents outstanding, run a list of parked documents using Z_AGY_DOCLIST. For PO related documents that are posted but still in workflow, please run the BW report FI Vendor Actuals (Open/Cleared) by Exp/Rev All Doc Types (AFI_AFIP_IS1_Q007) to see any 57* documents that have the "P" block.

12. COMPENSATED ABSENCES:

Leave taken prior to fiscal year-end, June 30, 2015, must be entered by July 10, 2015 to allow for proper reporting on the Compensated Absences Report.

13. TRAVEL:

As part of the Fiscal Year-End close process for the SCEIS Travel Management functionality, agencies must complete the entry and submission of new expense claims prior to 1:00 PM on June 30, 2015. This will ensure that expense claims are processed within the appropriate fiscal year.

Each agency should review all trip related information entered in the system to ensure all transactions are submitted and approved. If it is determined that a travel related request is not required to be processed, please delete the request from the system to clear the fund commitments reserved against those requests. Individuals may perform this task by logging into MySCEmployee and selecting the link My Travel Expenses>My Trips and Expenses, to review. For agency level review, managers can use the ZTRAVEL_REPORT transaction.

During the week of June 22, 2015, the SCEIS team will send each agency a travel report including a list of trips entered but not submitted or approved to assist in closing out any remaining travel related tasks

before year-end. All approvers must complete the approval process so that the approved expenses can be processed and paid by 1:00 PM on June 30, 2015.

For agencies that have employees whose travel activities cross fiscal years, the expenses will need to be allocated between the current fiscal year and the new fiscal year. The trip must be split and the current year expenses must be submitted and approved by 1:00 PM on June 30, 2015 to ensure it is expensed in the current year. Agencies may choose to establish an internal cut-off date prior to June 26 to ensure sufficient posting in the correct fiscal period.

If a travel related expense has not been entered and approved in the Travel Management module by June 30, 2015 for the prior fiscal year and the agency must process the trip related expenses in the current fiscal year's appropriation, the agency may use ZTRAVEL to process travel related expenses in the window of July 1, 2015 through July 14, 2015.

14. OTHER YEAR END REMINDERS

- A. **Deleting A/P Documents** – To delete an A/P document in FY 2015 after July 1, such as a parked document, the posting date must be changed to 06/30/2015 to unencumber the FY 2015 budget; otherwise, it will use the default date of July 2015 and unencumber budget in FY 2016.
- B. **Payment Terms** – Beginning June 22, FY 2015 invoice payment terms must be changed to “Pay Immediately”. There will be a system generated message to serve as a reminder. The payment terms must be changed manually during processing.
- C. **IDT Invoicing / Payments** – A/R invoices dated June 30, 2015 must contain goods and services delivered/received in FY 2015. IDT's billed for FY 2015 must be paid in FY 2015. Agencies should review the Z_IDT_DOCLIST and make payments as deemed appropriate for outstanding A/R.
- D. **POs, PRs & Funds Reservations** – Close, reduce or carryforward any POs, PRs & Funds Reservations to unencumber budget in FY 2015 no later than July 15. This should include any POs in held status and sales orders.
- E. **Posting Date** – Beginning July 1, use posting date of 06/30/2015 to post transactions to FY 2015.
- F. **Prior Year Payables** – Identify these documents when processing payments in FY 2016 by using the Header Text field selection of “Prior Year Payable” to enable agencies to obtain information using the BW report for the A/P Reporting Package. Modification of this phrase will result in errors in the BW report utilized to monitor and report on the Year-end A/P Reporting Package. Information may only be added to the end of the phrase.
- G. **Undeposited Cash 100001xxxx** – These G/L accounts should be zero at year-end. Ensure that your receipts have been deposited and verified by the STO. Please complete the review no later than July 10.
- H. **IDT Cash Clearing 1000020000** – Please DO NOT make any postings in this account or try to clear it.
- I. **Pre-Posted Budget Docs** – Please ensure all parked budget documents are posted so budget balances are accurate. All budget documents should be cleared no later than July 31.

- J. **A/P Workflow Items** – Final approval of A/P workflow items in the inbox must be completed by 5:00 PM July 14 to ensure processing in FY 2015. Beginning on July 1, FY 2015 documents, including SPECIALS, will show in workflow as priority 2. The system does not differentiate between FY 2015 documents and FY 2015 SPECIAL documents. SPECIAL documents for FY 2015 processed after July 1, 2015, will require the agency to contact the CG's A/P department for processing. FY 2016 SPECIAL documents will show as a priority 3 and all other payment term documents will show as priorities 4-6. FY 2015 A/P documents received in the Comptroller General's inboxes after 5:00 PM on July 14 will be rejected.
- K. **Accounting Workflow Items** – Final approval of Accounting workflow items in the inbox must be completed by 5:00 PM July 24 to ensure processing in FY 2015. Delete or Post "Save as Complete" parked documents as they encumber budget. Parked documents must be cleared no later than 5:00 PM on July 24. FY 2015 Journal Entry documents received after 5:00 PM July 24 will be rejected.
- L. **Fixed Assets** – All unposted assets must be cleared by July 20. Review unposted assets that have a -0- value by using S_ALR_87012056.
- M. **Projects** – For any projects that need to be settled to an asset, notify the SCEIS team and set-up an asset shell to which the costs need to be posted. All projects must be settled to a final asset no later than July 20.
- N. **Travel Advances** – Complete entries to zero out Travel Advance G/L 5052010000 no later than 5:00 PM July 24.
- O. **Negative Budget Balances** – Monitor budgeted funds to ensure all deficits are cleared at the Appropriation program level. Take necessary action to correct negative or over expended budget lines no later than 5:00 PM July 24. The CG's Accounting staff will contact agencies as deemed appropriate.
- P. **HRPAY and 3024 Fund Balances** – Clear balances by reclassing expenditures to appropriate account assignment (Fund, Cost Center and Functional Area) no later than 5:00 PM July 24.
- Q. **General Fund Interfund Loans** – These must be repaid no later than 5:00 PM July 24.
- R. **Refund of Prior Year Expenditures (receivables)** – All receivables set up as refund of expenditures must be reversed and reestablished using a revenue G/L account (REFUND PRIOR YR EXPENDITURE SC01 G/L 45200100XX) and fund 23870000 if paid with General Fund. If paid with other funds, items must be reclassified to the revenue G/L using the same fund. This must be completed by 5:00 PM on July 24.