
INTEROFFICE MEMORANDUM

STATE OF MAINE OFFICE OF THE STATE CONTROLLER

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TO: ALL DEPARTMENTS AND AGENCIES

FROM: DOUGLAS COTNOIR, STATE CONTROLLER
MELISSA GOTT, STATE BUDGET OFFICER
JAIME SCHORR, CHIEF PROCUREMENT OFFICER

SUBJECT: FISCAL YEAR 2018 YEAR END GUIDELINES

DATE: APRIL 18, 2018

CC: ALEXANDER E. PORTEOUS, COMMISSIONER

As this fiscal year is drawing to a close, the State Controller, State Budget Officer, and the Chief Procurement Officer are jointly providing departments and agencies with guidelines related to expending money for the purchase of goods and services at year end. These guidelines are intended to apply to all funding sources. All requests for purchases and requests for contract or amendment approvals must be essential to meet the State's immediate needs. Please note the deadlines in this memo pertain to both electronic and paper transactions.

Procurement of Capital Items:

The purchase and related encumbrances of funds for capital items will only be processed in the fourth quarter where the test of essentiality is met. Agencies must scrutinize these purchases carefully before submitting purchase requests.

Procurement of All Other Items:

Delivery Orders (DO) will be limited only to purchases that are immediately necessary. Agencies must scrutinize these requests for purchase carefully and, where possible, postpone the purchase to FY19. Non-emergency purchases requested after June 15th will not be processed in FY18.

Due to the application of the 15 Day Appeal Period requirement, The Division of Procurement Services will process non-emergency requisitions in FY18 if the

Requisitions (RQS) are received by the Division of Procurement Services no later than May 21st. Non-emergency requests received after this date will be FY19 transactions.

The last day for Procurement Card purchases to expend FY18 funds is June 2nd. Transactions must be posted to TD Bank by the close of business on June 5th.

Contracts and Grants for Services:

Encumbrance of contracts and grants for service (CT) will be limited only to purchases that are immediately necessary. Agencies must scrutinize these requests for procurement of services carefully and, where possible, postpone the purchase until FY19. Non-emergency contracts requested after June 15th will not be processed in FY18.

As we move forward with end of year activities, it is incumbent upon each Agency to verify that all agreements are correctly staged with the correct event type(s). For instance, an encumbered agreement spanning two fiscal years would be coded with event type PR05 for the current fiscal year and with event type PR08 plus Budget Fiscal Year 2019 for the next fiscal year.

All encumbered documents using event type PR05 and unencumbered documents using event type PR07 will automatically roll at the fiscal year end. There is no need to stage unencumbered contracts using event type PR88.

Prepayments for Goods and Services:

Prepayments for services or goods are not permitted. In accordance with Title 5, section 1552, all payments must be made from proper invoices for services rendered or goods delivered. As such, the practice of overpaying or prepaying any of the various Internal Service Funds or outside vendors is not allowed. All payments must be made against invoices for completed services and any payments to the Internal Services Funds or other vendors with the intent of having that fund or vendor hold the payment for future projects or services, once identified, shall be returned to the funding account through the Office of the State Controller. If that account is a non-carrying account, the funds shall lapse.

Payroll Insufficiencies

Agencies must ensure that sufficient Personal Services allotment exists to process June payrolls by proactively resolving funding issues with the appropriate Analyst in the Bureau of the Budget in time to process any Budget Orders or Financial orders in advance of the payroll to be paid. These Orders must be posted in Advantage in advance of the payroll payment. All allotment and cash insufficiencies must be resolved before the final payroll of the fiscal year is paid. For the Cycle A payroll, there must be sufficient allotment by the close of business on June 22nd and for Cycle B, there must be sufficient Personal Services allotment by the close of business on June 29th. Payrolls will be held until there is adequate allotment to cover the cost.

Fiscal Year 18 Journal Transfers

The Controller's Office will begin preparing the journal vouchers to move account balances in accordance with the various laws before the end of May. Please ensure that any funds identified to be transferred are available in the accounts by that date. If your agency posted a journal related to a State Controller law reference, please notify Sandra Royce in the Office of the State Controller. Please reference the JV number and the date accepted by Advantage.

Advantage

Based on our current year end processing calendar, Advantage will be available throughout the year end process.

Payment Vouchers (GAX's & PRC's over \$5,000)

Hard copy documentation for these FY18 transactions should be received in OSC Pre-Audit, properly coded and approved, no later than 12PM, Wednesday, June 27th. To help ensure that documents are approved to final, the documents must reach our office by the deadline, be free of errors, and meet our pre-audit standards.

Do not schedule payments into the new fiscal year. All payment vouchers (GAX and PRC documents) with a scheduled payment date past June 29, 2018 will be rejected by OSC regardless of dollar amount.

As part of the standard procedures for processing payment vouchers, original documents supporting payments below the \$5,000 threshold should be submitted for scanning within 15 days of processing. This is also true at year end.

Purchase Requisitions

The Division of Procurement Services will process non-emergency Requisitions (RQS) in FY18 if submitted and in Final status in Advantage by Monday, May 21st. However, only an RQS to pay confirming invoices will be due by Monday, June 4th. All non-emergency encumbrance requests received after this date will be FY19 transactions.

Cash Receipts

The last day to record deposits of FY18 monies in Advantage is Friday, June 29th. Departments are still required to make deposits at the bank on Friday, June 29th, for all monies available for deposit on that day. CRs related to the Friday, June 29th deposits shall be processed as FY18 CRs in Advantage on or after July 2, 2018, with a transaction date of June 29, 2018.

Records Section – Scanning

To ensure that all documents are scanned, and to minimize the number of exceptions on edit reports, it is extremely important that agencies submit all payment vouchers, journal vouchers, and vendor forms that are processed in June, to Maine Revenue Services Records Section no later than July 13th.

Payroll Insufficiencies

Agencies must ensure that sufficient Personal Services allotment exists to process June payrolls by proactively resolving funding issues with the appropriate Analyst in the Bureau of the Budget. All Personal Services allotment insufficiencies must be resolved before the final payroll of the fiscal year is paid.

Payroll Accruals

Payrolls will be charged to the fiscal year in which the payment is made. If you accrue payroll for Cycle A, please include all working days from June 10th through June 30th. If you accrue payroll for Cycle B please include all working days from June 17th through June 30th.

Carrying Accounts

Please provide a list of General Fund and Highway Fund accounts/appropriations that carry by law to Sandra Royce at the Office of the State Controller no later than Friday, May 25, 2018. This includes any partial account balances that carry by law. You should indicate which law authorizes the appropriation to carry.