
INTEROFFICE MEMORANDUM

PAUL LEPAGE, GOVERNOR

H. SAWIN MILLETT, JR, COMMISSIONER

STATE OF MAINE OFFICE OF THE STATE CONTROLLER

14 STATE HOUSE STATION

AUGUSTA, MAINE 04333

TELEPHONE: 207-626-8420

FAX: 207-626-8422

E-MAIL: TERRY.BRANN@MAINE.GOV

TO: ALL DEPARTMENTS AND AGENCIES

FROM: TERRY BRANN, STATE CONTROLLER

DAWNA LOPATOSKY, STATE BUDGET OFFICER

MICHEAL WENZEL, ACTING STATE PURCHASING DIRECTOR

GREG MCNEAL, CHIEF INFORMATION OFFICER

SUBJECT: FISCAL YEAR 2011 YEAR END GUIDELINES

DATE: MAY 06, 2011

CC: H. SAWIN MILLETT, JR, COMMISSIONER

PAUL LEPAGE, GOVERNOR

COMMITTEE ON APPROPRIATIONS & FINANCIAL AFFAIRS

As this fiscal year is drawing to a close, the State Controller, State Budget Officer, the Director of Purchases, and the Chief Information 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:

Encumbrance of purchase orders (BPO) and 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 FY12. Non-emergency purchases requested after June 15 will not be processed in FY11.

The Division of Purchases will process non-emergency requisitions in FY11 if the Requisitions (RQS) is received in Purchases by May 31. Non-emergency requests received after this date will be FY12 transactions.

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 FY12. Non-emergency contracts requested after June 15 will not be processed in FY11.

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 2012 for the next fiscal year.

Prepayments for Goods and Services:

Prepayments for services or goods will not be permitted at year end. In accordance with Title 5, section 1552, all payments must be made from proper invoices for services rendered. 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 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 22th 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 11 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 Terry Brann in the Office of the State Controller. Please reference the JV number and the date accepted by Advantage.

We have enclosed a calendar showing critical dates for processing various transactions, a Fiscal Year 11 Closing Schedule and Notes, and a form developed by the Director of Purchasing for encumbering contracts. Please refer to these documents for guidance.

State of Maine
Department of Administrative and Financial Services
OFFICE OF THE STATE CONTROLLER

FISCAL YEAR 2011 CLOSING SCHEDULE AND NOTES

NOTICE:

Please pay close attention to dates and times. We will be operating under a very tight end of the year calendar.

PAYMENT VOUCHERS (GAX'S & PRC'S OVER \$5,000)

Hard copy documentation for these FY 2011 transactions should be received in OSC Pre-Audit, properly coded and approved, no later than 12 noon June 29th. These documents must be clearly marked "FY 2011".

Do not schedule payments into the new fiscal year. All payment vouchers (GAX and PRC documents) with a scheduled payment date past 6/30/11 will be rejected by OSC.

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. These documents must be clearly marked "FY 2011".

PURCHASE REQUISITIONS

The Division of Purchases will process non-emergency requisitions in FY11 if the hard copy documentation is received in Purchases by Tuesday, May 31th. All non-emergency encumbrance requests received after this date will be FY12 transactions.

CASH RECEIPTS

The last day to deposit FY 2011 monies at the bank is Wednesday June 30. Departments are required to process cash receipts for FY11 wire transfers and deposits by Wednesday, June 30, 2011.

RECORDS SECTION – SCANNING

In order 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 8TH. These documents must be clearly marked “FY 2011”.

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. For the Cycle A payroll, there must be sufficient allotment by the close of business on June 22th 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.

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 19th through June 30th. If you accrue payroll for Cycle B please include all working days from June 12th through June 30th.

CARRYING ACCOUNTS

Please provide a list of General Fund and Highway Fund accounts/appropriations that carry by law to Terry Brann at the Office of the State Controller no later than Friday, June 3, 2011. This includes any partial account balances that carry by law. You should indicate which law authorizes the appropriation to carry.