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**INTEROFFICE MEMORANDUM**

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**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**  
**MARK LUTTE, STATE PURCHASING DIRECTOR**  
**SUBJECT: FISCAL YEAR 2016 YEAR END GUIDELINES**  
**DATE: MAY 20, 2016**  
**CC: RICHARD W. ROSEN, COMMISSIONER**

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

FY17. Non-emergency purchases requested after June 17<sup>th</sup> will not be processed in FY16.

The Division of Purchases will process non-emergency requisitions in FY16 if the Requisitions (RQS) is received in Purchases by June 3<sup>rd</sup>. Non-emergency requests received after this date will be FY17 transactions.

Last day for Procurement Card purchases to expend FY16 funds is June 7<sup>th</sup>. Transactions must post to US Bank by close of business June 10<sup>th</sup>.

### **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 FY17. Non-emergency contracts requested after June 17<sup>th</sup> will not be processed in FY16.

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 2017 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 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 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 22<sup>th</sup> and for Cycle B, there must be sufficient Personal Services allotment by the close of business on June 29<sup>th</sup>. Payrolls will be held until there is adequate allotment to cover the cost.

## **Fiscal Year 16 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.

We have enclosed a calendar showing critical dates for processing various transactions, a Fiscal Year 16 Closing Schedule and Notes. Please refer to these documents for guidance.

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

FISCAL YEAR 2016 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. Advantage will be available for online access on Friday, July 1, 2016, but will not be available for any purpose on Friday, July 15, 2016.

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

Hard copy documentation for these FY 2016 transactions should be received in OSC Pre-Audit, properly coded and approved, no later than 12 noon June 28<sup>th</sup>. These documents must be clearly marked "FY 2016".

Do not schedule payments into the new fiscal year. All payment vouchers (GAX and PRC documents) with a scheduled payment date past June 30, 2016 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. These documents must be clearly marked "FY 2016".

**PURCHASE REQUISITIONS**

The Division of Purchases will process non-emergency requisitions in FY16 if submitted and in Final status in Advantage by Friday, June 3rd. All non-emergency encumbrance requests received after this date will be FY17 transactions.

**CASH RECEIPTS**

The last day to record deposits of FY16 monies in Advantage is Thursday, June 30, 2016. Departments are still required to make deposits at the bank on Thursday, June 30, 2016 for all monies available for deposit on that day. CRs related to the Thursday, June 30, 2016 deposits shall be processed as FY 2017 CRs in Advantage on or after July 1, 2016, with a transaction date of June 30, 2016.

## **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 15<sup>TH</sup>. These documents must be clearly marked “FY 2016”.

## **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 22<sup>nd</sup> and for Cycle B, there must be sufficient Personal Services allotment by the close of business on June 29<sup>th</sup>. 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 12<sup>th</sup> through June 30<sup>th</sup>. If you accrue payroll for Cycle B please include all working days from June 19<sup>th</sup> through June 30<sup>th</sup>.

## **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 27, 2016. This includes any partial account balances that carry by law. You should indicate which law authorizes the appropriation to carry.