
INTEROFFICE MEMORANDUM

JOHN ELIAS BALDACCI, GOVERNOR

REBECCA WYKE, COMMISSIONER

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TO: ALL DEPARTMENTS AND AGENCIES

FROM: EDWARD A. KARASS, STATE CONTROLLER
ELLEN SCHNIEDER, STATE BUDGET OFFICER
BETTY M. LAMOREAU, STATE PURCHASING AGENT
RICHARD THOMPSON, CHIEF INFORMATION OFFICER

SUBJECT: FISCAL YEAR 2007 YEAR END GUIDELINES

DATE: MAY 14, 2007

CC: REBECCA WYKE, COMMISSIONER
JOHN BALDACCI, 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.

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 and contract releases 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 FY08. Non-emergency purchases requested after May 25th will not be processed in FY07.

Purchase Orders, Contracts and Grants for Services:

Beginning in FY'08, all contracts and grants must be entered into AdvantageME. In subsequent fiscal years, it will be possible for state agency users to enter contracts for an upcoming fiscal year well in advance of the start of the year. This year, however, AdvantageME will not be available until FY'08 begins, so such prior entry will not be possible. For that reason, **this year only**, we have developed a process to facilitate the review of contracts and grants before AdvantageME goes live, while maintaining your ability to enter the contracts and grants into AdvantageME. Detailed instructions and a Green Routing Sheet are attached to this memo.

Existing FY'07 encumbered purchase orders and contracts with open, unpaid balances will be converted into AdvantageME as General Accounting Encumbrances (GAEs), unless they have already rolled once (i.e., contain an "N" prefix). For contracts whose termination dates are on or before June 30, 2007, this will allow you to make payments for services delivered within the contract period by creating a General Accounting Expenditure (GAX) referencing the GAE. For contracts whose termination dates extend into FY'08, this will allow you to make GAX payments as services are satisfactorily delivered and invoiced.

PLEASE NOTE: After an encumbered contract has converted to a GAE in AdvantageME, the GAE cannot be increased. If you need to amend the agreement with the Provider, you will need to create a new contract (CT) in AdvantageME and refer to the GAE number in the "memo" field. This may require that your payments to the Provider be made in two parts: with a portion entered as a GAX copied forward from the GAE **and** the balance entered as a PRC copied forward from the new CT.

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 the MFASIS Accounting System 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 19th and for Cycle B, there must be sufficient Personal Services allotment by the close of business on June 26th. Payrolls will be held until there is adequate allotment to cover the cost.

Fiscal Year 07 Journal Transfers

The Controller's Office is presently preparing the journal vouchers to move account balances in accordance with the various laws. The process of posting the journals is anticipated to be completed by May 18th with the exception of those transfers that are designated as closing "cascade" transfers. 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 MFASIS.

We have enclosed a calendar showing critical dates for processing various transactions and a Fiscal Year 07 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 2007 CLOSING SCHEDULE AND NOTES

NOTICE: AdvantageME is going live for FY08

Due to AdvantageME going live for FY08 there are many changes to the dates and some of the processes that we have gone through in past years. Please pay close attention to dates and times. We will be operating under a very tight cutover calendar to bring the new system live. Below are some of the details and we will be providing additional information as we get closer to June.

PAYMENT VOUCHERS

Important Note: Scheduled payment dates on all payment documents must be no later than June 28 or left blank.

Over \$2,500

Hard copy documentation for these FY 2007 transactions should be received in Pre-Audit, properly coded and approved, no later than 10:00 A.M. on Thursday, June 28th.

\$2,500 and under

In order to process payments under \$2,500 before the close, documents must be entered and approved by the close of business on June 27.

As part of the standard procedures for processing payment vouchers, original documents supporting payments below the \$2,500 threshold should be submitted for scanning within 15 days of processing. This is also true at year-end.

ENCUMBERED PAYMENTS

All FY 2007 payments over \$2,500, that reference encumbrances, must be received in Pre-Audit no later than 10:00 AM on Thursday, June 28th. These documents must be clearly marked "Encumbered Invoices".

Please note that you will not be able to make payments against old year (FY 2007) encumbrances after June 28th. An “N” at the beginning of the encumbrance number indicates that it is an old year encumbrance; these funds will lapse on June 30th.

ACCRUAL INDICATOR FLAG

As many of you know based on the training you have received on AdvantageME, the accrual indicator will no longer exist. The new system will use service dates. Additional information will be provided to agencies in June.

PURCHASE REQUISITIONS

The Division of Purchases will process non-emergency requisitions in FY07 if the hard copy documentation is received in Purchases by Friday, May 25th. All non-emergency encumbrance requests received after this date will be FY08 transactions.

CASH RECEIPTS

Cash receipt statements for all deposits and other bank transactions, as well as adjustments requested by the Office of the State Treasurer (OST), must be approved/validated through TAMI no later than 12:00 p.m. on Thursday, June 28 in order to be posted to FY 2007. TAMI cash receipt entry screens will be turned off on June 28; all subsequent cash receipts, including those rejected on June 28, will require entry to AdvantageME. Agencies must deposit all cash and checks received in FY 2007 by June 30.

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 cash receipts statements that are processed in June, to Maine Revenue Services Records Section no later than July 10th.

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 19th and for Cycle B, there must be sufficient Personal Services allotment by the close of business on June 27th. 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 10th through June 30th. If you accrue payroll for Cycle B please include all working days from June 17th through June 30th.

FIXED ASSETS

Fixed asset shells should be cleared out of SUSF before year-end. If any of the shells relate to an item that is not a capital asset, notify the Controller's Office so we can delete the shell.

CARRYING ACCOUNTS

Please provide a list of General Fund and Highway Fund accounts/appropriations that carry by law to the Office of the State Controller and the Division of Purchases no later than Friday, June 1, 2007. This includes any partial account balances that carry by law. You should indicate which law authorizes the appropriation to carry.

SUSF REMINDER

Agencies are reminded that transactions in SUSF in MFASIS that have not been accepted are not being converted to AdvantageME. If agencies would like to clear those documents before June 29th, they should do so. Any transactions not cleared yet necessary to approve after that date will have to be re-entered in AdvantageME.

MFASIS SECURITY AND PERIOD 13

After June 29th, all user roles in MFASIS will be set to READ ONLY. All journal vouchers will have to be submitted to the Office of the State Controller for entry and approval. Agencies with a significant volume of journal vouchers to be completed in period 13 are asked to contact Terry Brann and ask about the possibility of opening security for a limited number of users.

After July, MFASIS will be available in a READ ONLY capacity for at least 6 months.