



Roland W. Burris

Comptroller
State of Illinois

201 State House
Springfield, Illinois 62706
217/782-6000

ACCOUNTING BULLETIN NO. 50

May 16, 1986

TO: Agency Heads and Chief Fiscal
Officers of All State Agencies

SUBJECT: Instructions for Closing Fiscal Year 1986 Expenditure Authority
Accounts

GENERAL

The present fiscal year ends June 30, 1986. Appropriations for this fiscal year will lapse September 30, 1986. All invoices for goods or services contracted for or received prior to July 1, 1986, must be vouchered against FY1986 expenditure authority accounts (both appropriated and non-appropriated).

REAPPROPRIATED ACCOUNTS

Vouchers payable from FY1986 expenditure authority accounts that are reappropriated for FY1987 must reach the Office of the Comptroller on or before Friday, June 27, 1986 (June 26 if on magnetic tape) in order for warrants to be issued before July 1, 1986, and charged against the FY1986 accounts. It is suggested that these vouchers not be submitted on magnetic tape during the last week in June. NO LAPSE PERIOD SPENDING WILL BE PERMITTED ON ACCOUNTS THAT ARE REAPPROPRIATED. The unliquidated obligations at June 30, 1986 will be carried forward to FY1987. Capital Release balances will be automatically transferred to FY1987.

POSTAGE VOUCHERS

ALL FY1986 VOUCHERS FOR THE PURCHASE OF POSTAGE MUST BE RECEIVED BY THIS OFFICE ON OR BEFORE JUNE 27, 1986. Vouchers received after June 27, 1986 for the purchase of postage from an FY1986 expenditure authority account will be returned to the transmitting agency for revouchering from an FY1987 expenditure authority account. This includes vouchers for the purpose of increasing postage in a postage meter.

UTILITY BILLS

Agencies should continue their past practice of allocating utility bills that cover portions of June and July. Agencies have the option of either pro-rating utility bills to the proper months based upon the number of days service was

provided or charging the bills to the month and appropriate fiscal year which had the majority of serviced days. Once an agency chooses its option, it must be continued thereafter.

TELEPHONE BILLS

Telephone bills contain an advance charge for monthly service and charges for toll calls made the previous billing period. Agencies have the option of charging the entire bill according to the fiscal year the vendor's invoice date falls within, or allocating the advance charges according to billing date and the toll call charges according to actual toll call date.

TRAVEL

Where travel at fiscal year end crosses into the new fiscal year, agencies have the option of charging all travel expenses incident to a specific trip to the fiscal year in which the travel began, or to allocate the expenses according to days traveled in each fiscal year utilizing separate vouchers.

LAPSE PERIOD - VOUCHERS

From July 1, 1986 through September 30, 1986, all vouchers and schedules must be stamped with a rubber stamp, either "FY86" or "FY87" to clearly designate whether the voucher is to be paid from an FY1986 or FY1987 expenditure authority account. The stamp should be placed on the upper right side of each voucher and also on the upper right side of each schedule. All vouchers covering goods or services to be paid from FY1986 expenditure authority accounts during the lapse period should be stamped in a prominent place, "Contracted for Prior to July 1." During the lapse period, continue using the same series of voucher numbers for vouchers covering FY1986 goods and services for which payment has not been vouchered as of June 30, 1986. Continue this voucher series until all vouchers which are paid from FY1986 expenditure authority accounts have been completed.

Lapse period expenditures from operational accounts are limited to those liquidating liabilities for goods and services received or contracted for prior to July 1. Lapse period expenditures from expiring capital improvement accounts are limited to those for work performed or contracted for prior to July 1. Lapse period expenditures from grant accounts are limited to those claims for payments to grantees for outstanding liabilities as of June 30. Lapse period vouchers citing blanket obligations or purchase authorizations will not be accepted if the related blanket or Authorization was not filed to cover goods or services contracted for or received prior to July 1, 1986.

LAPSE PERIOD VOUCHERS NOT CITING OBLIGATIONS OR CITING BLANKET OBLIGATIONS OR PURCHASE AUTHORIZATIONS MUST CONTAIN THE ORDER DATE OR RECEIVING DATE(S) OF THE RELATED GOODS OR SERVICES OR HAVE THESE DATES EVIDENT ON THE BACK-UP DOCUMENTATION TO SUPPORT THE FISCAL YEAR CHARGED.

ON OR BEFORE SEPTEMBER 30, 1986, EVERY INVOICE THAT SHOULD BE PAID FROM AN FY1986 EXPENDITURE AUTHORITY ACCOUNT MUST HAVE BEEN VOUCHERED AND RECEIVED BY THE OFFICE OF THE COMPTROLLER. THE COMPTROLLER CANNOT, BY LAW, ISSUE WARRANTS FOR FY1986 VOUCHERS RECEIVED AFTER SEPTEMBER 30, 1986.

LAPSE PERIOD - OBLIGATIONS

Obligations established in the FY1986 expenditure authority accounts after June 30th must represent liabilities which were outstanding at June 30, 1986. They must cover undischarged financial obligations for goods or services contracted for or received prior to July 1, 1986. Blanket obligations filed with the Comptroller after June 30th must cover goods or services ordered or delivered prior to July 1, 1986 and contain actual order or delivery dates in the description block on the Contract - Obligation Document. In addition, all FY1986 obligating documents filed after June 30th should be stamped "Contracted for Prior to July 1."

Outstanding obligations at June 30, 1986, may be cancelled or reduced during the lapse period. This procedure should be used to eliminate the potential over-obligation of an account and to eliminate unneeded obligations. Outstanding obligations representing actual contractual liabilities may be decreased or cancelled if such notice is accompanied by a contract amendment reflecting the corresponding decrease or cancellation. Contractual liabilities may also be increased during the lapse period as long as the increase is relevant to the original contract and is accompanied by a contract amendment executed prior to to July 1 increasing the contract amount.

All FY1986 purchase orders, sub-orders, and increases executed by the Department of Central Management Services must be executed by that Department prior to July 1, 1986 as evidenced by the transaction date on the purchase order document.

The monthly reconciliation of your obligation records with the Monthly and Year-to-Date Activity Reports is extremely important during the remainder of FY1986 in order to avoid delays in processing vendor payments due to errors in our respective files.

LAPSE PERIOD - "LAST MINUTE" TRANSACTIONS

In order to facilitate fiscal year end voucher processing, please schedule your vouchers and such related transactions as obligation establishments, increases, reductions, cancellations, and 2% transfers to reach the Office of the Comptroller no later than September 23, 1986. This will allow us to concentrate our efforts on the "last minute" transactions we received during the remaining days of the lapse period. We cannot guarantee successful processing of FY1986 vouchers received after September 23, 1986, that contain, or are related to, transactions that contain errors.

FY1986 VOUCHERS SHOULD NOT BE SUBMITTED ON MAGNETIC TAPE DURING THE LAST WEEK OF THE LAPSE PERIOD.

FISCAL YEAR 1987 VOUCHERS AND OBLIGATIONS

Expenditures for goods and services contracted for after June 30, 1986, must be charged against FY1987 expenditure authority accounts and cite obligations established in the FY1987 accounts. This requires preparing the applicable obligating documents and filing them with the Office of the Comptroller prior to processing the voucher for payment. All vouchers payable from FY1987 expenditure

authority accounts should carry a new series of voucher numbers. Each agency should use only one series of voucher numbers for each expenditure authority account for the fiscal year.

FY1987 PRE-FILED CONTRACTS

In order to expedite the processing of FY1987 contracts submitted to the Comptroller before July 1, 1986, please utilize the following procedure.

Contracts entered into prior to the new fiscal year must be obligated and submitted to the Comptroller together with a properly completed COD form (C-23.1) within 15 days of execution. DO NOT use a "00" action code. Assign the proper four digit transaction code and complete the COD form including the obligation amount. If there are any questions concerning the proper preliminary expenditure authority account to be assigned please contact Sally Herter at 217/782-2052. Attach the COD form to the contract and submit both to the Office of the Comptroller. If necessary, the expenditure authority account may be changed on the pre-filed contract by submitting a new COD form with the same obligation number and correct expenditure authority account with the previously assigned expenditure authority account noted in the description area.

The "00" action code may only be used to change contract information after it has been properly filed and obligated (i.e., change of vendor name, change in contract term, method of compensation, etc.).

Pre-filed contracts must contain an appropriation contingency clause; suggested language is set forth below:

"Obligations of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly or Federal funding source fails to appropriate or otherwise make available sufficient funds for this agreement."

FISCAL YEAR 1987 NON-APPROPRIATED ACCOUNTS

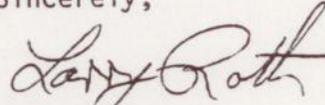
On July 1, 1986, FY1987 non-appropriated accounts of a continuing nature, e.g., the Toll Highway Authority and retirement systems accounts, and those accounts for programs which extend beyond June 30, 1986, will be established by the Comptroller's Office. We will inform each agency as to which of its non-appropriated accounts will be available for FY1987. Other FY1987 non-appropriated accounts will be established only by application and justification by the agency.

If you have any questions concerning these instructions and guidelines, please call Joe DiRocco at 782-3608. Questions concerning specific details within the various functional areas of this office may also be directed to the following persons:

May 16, 1986

<u>NAME</u>	<u>RESPONSIBILITY</u>	<u>TELEPHONE EXTENSION</u>
Sally Herter	FY1986 Appropriation Account Code Assignments	2-2052
Lu Van Eman	Contracts/Obligations	2-3686
Barb Moore	Vouchers (except payroll vouchers)	2-3608
Dan Steven	Payroll Vouchers	2-4758
Sam Stiles	FY1986 Non-appropriated Expenditure Authority Accounts	2-2052
Betty Phillips	Accounting (2% transfers, error corrections, etc.)	2-7633

Sincerely,

Larry Roth
Director, State Accounting

Printed by the authority of the State of Illinois

Job #14171

5/86 - 600 copies