



Roland W. Burris

Comptroller
State of Illinois

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Springfield, Illinois 62706
217/782-6000

TO: Fiscal Officers of All State Agencies

DATE: May 24, 1990

SUBJECT: Instructions for Closing Fiscal Year 1990 Expenditure
Authority Accounts

GENERAL

The present fiscal year ends June 30, 1990. Appropriations for this fiscal year will lapse September 30, 1990. All invoices for goods or services contracted for or received prior to July 1, 1990, must be vouchered against FY1990 expenditure authority accounts (both appropriated and non-appropriated).

REAPPROPRIATED ACCOUNTS

Vouchers payable from FY1990 expenditure authority accounts that are reappropriated for FY1991 must reach the Office of the Comptroller on or before Thursday, June 28, 1990, (June 26, if on magnetic tape) in order for warrants to be issued before July 1, 1990, and charged against the FY1990 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, 1990, will be carried forward to FY1991. Capital Release balances will be automatically transferred to FY1991.

During the last week in June, this office will pay special attention to vouchers charged to appropriations that will be reappropriated in order to ensure that the warrants are issued prior to July 1. It would be very helpful if agencies submitting these vouchers would clearly identify them as such.

POSTAGE VOUCHERS

ALL FY1990 VOUCHERS FOR THE PURCHASE OF POSTAGE MUST BE RECEIVED BY THIS OFFICE ON OR BEFORE JUNE 28, 1990. Vouchers received after June 28, 1990, for the purchase of postage from an FY1990 expenditure authority account will be returned to the transmitting agency for revouchering from an FY1991 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, 1990 through September 30, 1990, all vouchers and schedules must be stamped with a rubber stamp, either "FY90" or "FY91" to clearly designate whether the voucher is to be paid from an FY1990 or FY1991 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 FY1990 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 FY1990 goods and services for which payment has not been vouchered as of June 30, 1990. Continue this voucher series until all vouchers which are paid from FY1990 expenditure authority accounts have been completed.

Lapse period expenditures are limited to those liquidating liabilities for goods and services received or contracted for prior to July 1. 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, 1990.

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 28, 1990, EVERY INVOICE THAT SHOULD BE PAID FROM AN FY1990 EXPENDITURE AUTHORITY ACCOUNT MUST HAVE BEEN VOUCHERED AND RECEIVED BY THE OFFICE OF THE COMPTROLLER. THE COMPTROLLER CANNOT, BY LAW, ISSUE WARRANTS FOR FY1990 VOUCHERS RECEIVED AFTER SEPTEMBER 28, 1990.

LAPSE PERIOD - OBLIGATIONS

Obligations established in the FY1990 expenditure authority accounts after June 30 must represent liabilities which were outstanding at June 30, 1990. They must cover undischarged financial obligations for goods or services contracted for or received prior to July 1, 1990. Blanket obligations filed with the Comptroller after June 30 must cover goods or services ordered or delivered prior to July 1, 1990, and contain actual order or delivery dates in the description block on the Contract - Obligation Document. In addition, all FY1990 obligating documents filed after June 30 should be stamped "Contracted for Prior to July 1."

Outstanding obligations at June 30, 1990, 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 July 1 increasing the contract amount.

All FY1990 purchase orders, printing orders, sub-orders, and increases executed by the Department of Central Management Services must be executed by that Department prior to July 1, 1990, 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 FY1990 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, detail object changes, and 2% transfers to reach the Office of the Comptroller no later than September 21, 1990.

With an increased emphasis being placed on finalizing the budgetary accounting information, this office is requesting that State agencies process all FY1990 corrections (i.e., expenditure transfers, etc.) applicable to transactions processed prior to August 1, 1990, on or before August 15, 1990. Expenditure transfers must be received by September 17, 1990. This will allow us to concentrate our efforts on the "last minute" transactions we receive during the last few days of the lapse period. We cannot guarantee successful processing of FY1990 vouchers received after September 24, 1990, that contain, or are related to, transactions that contain errors.

FY1990 VOUCHERS SHOULD NOT BE SUBMITTED ON MAGNETIC TAPE DURING THE LAST WEEK OF THE LAPSE PERIOD.

FISCAL YEAR 1991 VOUCHERS AND OBLIGATIONS

Expenditures for goods and services contracted for after June 30, 1990, must be charged against FY1991 expenditure authority accounts and cite obligations established in the FY1991 accounts. This requires preparing the applicable obligating documents and filing them with the Office of the Comptroller prior to processing the vouchers for payment. All vouchers payable from FY1991 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.

FY1991 PRE-FILED CONTRACTS

In order to expedite the processing of FY1991 contracts submitted to the Comptroller before the related appropriation bills are signed into law, please utilize the following procedure:

Contracts entered into, prior to the approval of the related appropriations, 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. Attach the COD form to the contract and submit both to the Office of the Comptroller, Obligations Section. 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."

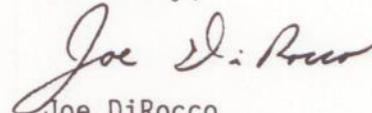
FISCAL YEAR 1991 NON-APPROPRIATED ACCOUNTS

On July 1, 1990, FY1991 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, 1990, 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 FY1991. Other FY1991 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 me at 782-3608. Questions concerning specific details within the various functional areas of this office may also be directed to the following persons:

<u>NAME</u>	<u>RESPONSIBILITY</u>	<u>TELEPHONE EXTENSION</u>
Sally Herter	FY1991 Appropriation Account Code Assignments	2-2052
Lu Irwin	Contracts/Obligations	2-3686
Linda Seelbach	Contracts/Obligations - Reconciliations	2-3686
Barb Moore	Vouchers (except payroll vouchers)	2-3608
Dan Steven	Payroll Vouchers	2-4758
Sam Stiles	FY1991 Non-appropriated Expenditure Authority Accounts	2-2052
Betty Phillips	Accounting (2% transfers, error corrections, ET's, detail object corrections)	2-7633

Sincerely,



Joe DiRocco
Manager, Contract/Voucher Division

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