



State of Illinois

COMPTROLLER

Loleta A. Didrickson

# ACCOUNTING BULLETIN

To: Fiscal Officers of All State Agencies

Date: June 8, 1995

Subject: Instructions for Closing Fiscal Year 1995 Expenditure Authority Accounts

Number: 63

## GENERAL

The present fiscal year ends June 30, 1995. Appropriations for this fiscal year will lapse September 30, 1995. All invoices for goods or services contracted for or received prior to July 1, 1995, must be vouchered against FY1995 expenditure authority accounts (both appropriated and non-appropriated).

## REAPPROPRIATED ACCOUNTS

Vouchers payable from FY1995 expenditure authority accounts that are reappropriated for FY1996 must reach the Office of the Comptroller on or before Thursday, June 29, 1995, (June 28 if on magnetic tape) in order for warrants to be issued before July 1, 1995, and charged against the FY1995 accounts. **No lapse period spending will be permitted on accounts that are reappropriated.** The unliquidated obligations at June 30, 1995, will be carried forward to FY1996. Capital Release balances will be automatically transferred to FY1996.

Special attention will be paid to vouchers submitted to this office during the last week in June and charged to appropriations that will be reappropriated in order to help 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. This office cannot guarantee successful processing of these "last minute" vouchers as processing errors can be made by the submitting agency or by this office that cannot be corrected prior to June 30.

### POSTAGE VOUCHERS

All FY1995 vouchers for the purchase of postage must be received by this office on or before June 29, 1995, (June 28 if on magnetic tape). Vouchers received after June 29, 1995, for the purchase of postage from an FY1995 expenditure authority account will be returned to the transmitting agency for revouchering from an FY1996 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 an 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 of allocating the expenses according to days traveled in each fiscal year utilizing separate vouchers.

### LAPSE PERIOD - VOUCHERS

From July 1, 1995 through September 30, 1995, all vouchers and schedules must be stamped or otherwise marked as either "FY95" or "FY96" to clearly designate whether the voucher is to be paid from an FY1995 or FY1996 expenditure authority account. The fiscal year indicator should be placed on the upper right side of each voucher and schedule. All vouchers covering goods or services to be paid from FY1995 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 FY1995 goods and services for which payment has not been vouchered as of June 30, 1995. Continue this voucher series until all vouchers which are paid from FY1995 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, 1995.

Vouchers must contain the order date(s) 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 29, 1995, every invoice that should be paid from an FY1995 expenditure authority account must have been vouchered and received by the Office of the Comptroller. The Comptroller cannot, by law, issue warrants for FY1995 vouchers received after September 29, 1995.**

#### LAPSE PERIOD - OBLIGATIONS

Obligations established in the FY1995 expenditure authority accounts after June 30 must represent liabilities outstanding at June 30, 1995, i.e., financial obligations for goods or services contracted for or received prior to July 1, 1995. Blanket obligations filed with the Comptroller after June 30 must cover goods or services ordered or delivered prior to July 1, 1995, and must contain actual order or delivery dates in the description block on the Contract - Obligation Document. In addition, all FY1995 obligating documents filed after June 30 should be stamped "Contracted for Prior to July 1."

Outstanding obligations at June 30, 1995, may be canceled or reduced during the lapse period. This procedure should be used to eliminate the potential over-obligation of an appropriation and to eliminate unneeded obligations. Outstanding obligations representing actual contractual liabilities may be decreased or canceled only 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 FY1995 purchase orders, release orders, printing orders, and increases executed by the Department of Central Management Services must be executed by that Department prior to July 1, 1995, as evidenced by the transaction date on the order document.

**The timely monthly reconciliation of your obligation records with the Monthly and Year-to-Date Activity-Reports is extremely important during the remainder of FY1995 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 percent transfers to reach the Office of the Comptroller no later than September 25, 1995. Expenditure Transfers should be received by the Comptroller's Office no later than September 15, 1995. 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 FY1995 vouchers received after September 25, 1995, that contain, or are related to transactions that contain, errors.

#### FISCAL YEAR 1996 VOUCHERS AND OBLIGATIONS

Expenditures for goods and services contracted for after June 30, 1995, must be charged against FY1996 expenditure authority accounts and cite obligations established in the FY1996 accounts. This requires preparing the applicable obligating documents and filing them with the Office of the Comptroller prior to processing the related vouchers for payment. All vouchers payable for FY1996 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.

FY1996 PRE-FILED CONTRACTS

In order to expedite the processing of FY1996 contracts submitted to the Comptroller before the related appropriation bills are signed into law, please utilize the following procedure:

Contracts executed 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 1996 NON-APPROPRIATED ACCOUNTS

On July 1, 1995, FY1996 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, 1995, will be automatically established by the Comptroller's Office. We will inform each agency as to which of its non-appropriated accounts will be available for FY1996. Other FY1996 non-appropriated accounts will be established only by application and justification by the agency.

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Questions concerning these instructions and guidelines may be directed to 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:

<u>NAME</u>	<u>RESPONSIBILITY</u>	<u>TELEPHONE EXTENSION</u>
Sally Herter	FY1996 Appropriation Account Code Assignments and Non-appropriated Expenditure Authority Accounts	2-2052
Lu Irwin	Contracts/Obligations	2-3686
Mike Esper	Contracts/Obligations, Reconciliations	2-3686
Barb Moore	Vouchers (except payroll vouchers)	2-3608
Dan Steven	Payroll Vouchers	2-4758
Betty Phillips	Accounting (2% transfers, error corrections, ET's, detail object corrections)	2-7633

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Printed by authority of the State of Illinois

Job #28275

6/95 - 200 copies