

# ACCOUNTING BULLETIN

To: Fiscal Officers of All State Agencies

From: Steven L. Valasek, Director of State Accounting

Date: June 7, 1996

Subject: Instructions for Closing Fiscal Year 1996 Expenditure Authority  
Accounts

Number: 72

## GENERAL

The present fiscal year ends June 30, 1996. Appropriations for this fiscal year will lapse September 30, 1996. All invoices for goods or services contracted for or received prior to July 1, 1996, must be vouchered against FY 1996 expenditure authority accounts (both appropriated and non-appropriated). The schedule of due dates that are outlined in this bulletin will be strictly enforced by this Office.

## REAPPROPRIATED ACCOUNTS

All vouchers payable from FY 1996 expenditure authority accounts that are reappropriated for FY 1997, must be received in the Office of the Comptroller by June 24, 1996. Agencies must clearly identify these on the face of the schedule and vouchers. No lapse period spending will be permitted on accounts that are reappropriated. The unliquidated obligations at June 30, 1996, will be carried forward to FY 1997. Capital Release balances will be automatically transferred to FY 1997.

## POSTAGE VOUCHERS

All vouchers payable from FY 1996 expenditure authority accounts that are for the purchase of postage, must be received in the Office of the Comptroller by June 24, 1996. 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 the days traveled in each fiscal year utilizing separate vouchers.

### LAPSE PERIOD - VOUCHERS

From July 1, 1996, through September 30, 1996, all vouchers and schedules must be stamped or otherwise marked as either "FY 96" or "FY 97" to clearly designate the fiscal year. 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 FY 1996 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 FY 1996 goods and services for which payment has not been vouchered as of June 30, 1996. Continue this voucher series until all vouchers which are paid from FY 1996 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, 1996.

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.

**All vouchers payable from FY 1996 expenditure authority accounts must be received in the Office of the Comptroller by September 25, 1996.**

#### LAPSE PERIOD - OBLIGATIONS

Obligations established in the FY 1996 expenditure authority accounts after June 30, must represent liabilities outstanding at June 30, 1996, i.e., financial obligations for goods or services contracted for or received prior to July 1, 1996. Blanket obligations filed with the Comptroller after June 30, must cover goods or services ordered or delivered prior to July 1, 1996, and must contain actual order or delivery dates in the description block on the Contract - Obligation Document. In addition, all FY 1996 obligating documents filed after June 30 should be stamped "Contracted for Prior to July 1".

Outstanding obligations at June 30, 1996, may be  canceled  or decreased 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 FY 1996 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, 1996, as evidenced by the transaction date on the order document.

**All obligation establishments, increases, decreases and cancellations that affect FY 1996 processing, must be received in the Office of the Comptroller by September 23, 1996.**

### LAPSE PERIOD - TRANSFERS

All 2 percent transfers that affect FY 1996 processing must be received in the Office of the Comptroller by September 23, 1996. All Expenditure Transfers that affect FY 1996 processing, must be received in the Office of the Comptroller by September 16, 1996.

### FISCAL YEAR 1997 VOUCHERS AND OBLIGATIONS

Expenditures for goods and services contracted for after June 30, 1996 must be charged against FY 1997 expenditure authority accounts and cite obligations established in the FY 1997 accounts. This requires preparing the applicable obligating documents and filing them with the Office of the Comptroller prior to processing the related vouchers for payments. All vouchers payable for FY 1997 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.

### FY 1997 PRE-FILED CONTRACTS

In order to expedite the processing of FY 1997 contracts submitted to the Comptroller before the related appropriation bills are signed into law, the contracts must be obligated and submitted together with a properly completed COD form (C-23.1) within 15 days of execution.

Pre-filed contacts 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 1997 NON-APPROPRIATED ACCOUNTS

On July 1, 1996, FY 1997 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, 1996, 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 FY 1997. Other FY 1997 non-appropriated accounts will be established only by application and justification by the agency.

Questions concerning specific details within the various functional areas of this office may be directed to the following persons:

<u>NAME</u>	<u>RESPONSIBILITY</u>	<u>TELEPHONE EXTENSION</u>
Sally Herter	FY 1997 Appropriation Account Code Assignments and Non-Appropriated Expenditure Authority Accounts	2-8084
Lu Irwin	Contract/Obligations, Reconciliations	2-3686
Linda Seelbach	Vouchers (except Payroll vouchers)	2-3060
Nancy Smith	Payroll Vouchers	2-4758
Betty Phillips	Accounting (2% transfers, error corrections, ET's, detail object corrections)	2-7633