

ACCOUNTING BULLETIN

TO: Fiscal Officers of All State Agencies

FROM: Steven L. Valasek, Director of State Accounting

DATE: May 30, 1997

SUBJECT: Instructions for Closing FY 97 Expenditure Authority Accounts

NUMBER: 75

GENERAL

The current fiscal year ends June 30, 1997. Appropriations for this fiscal year will lapse August 31, 1997. Invoices for goods or services contracted for or received prior to July 1, 1997, must be vouchered against FY 97 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 97 expenditure authority accounts that are reappropriated for FY 98, must be received in the Office of the Comptroller by June 20, 1997. 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, 1997, will be carried forward to FY 98. It is requested that agencies review these obligations and deobligate those which are no longer valid.

POSTAGE VOUCHERS

All vouchers payable from FY 97 expenditure authority accounts that are for the purchase of postage, must be received in the Office of the Comptroller by June 20, 1997. To qualify as a payment against a FY 97 appropriation, the postage must pertain to FY 97 usage.

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 prorating utility bills to the proper month based upon the number of days service was provided, or charging the bill to the month and appropriate fiscal year which had the majority of serviced days. Once an option is chosen, 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, 1997, through August 31, 1997, all vouchers and schedules must be stamped or otherwise marked as either "FY 97" or "FY 98" 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 97 expenditure authority accounts during the lapse period should be stamped in a prominent place, "Contracted for Prior to July 1."

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

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 97 expenditure authority accounts must be received in the Office of the Comptroller by **August 22, 1997**.

LAPSE PERIOD - OBLIGATIONS

Obligations established against FY 97 expenditure authority accounts after June 30, must represent liabilities outstanding at June 30, 1997(i.e., financial obligations for goods or services contracted for or received prior to July 1, 1997). Blanket obligations filed with the Comptroller after June 30, must cover goods or services ordered or delivered prior to July 1, 1997, and must contain actual order or delivery dates in the description block on the Contract Obligation Document (COD). In addition, all FY 97 CODs filed after June 30 should be stamped "Contracted for Prior to July 1".

Outstanding obligations at June 30, 1997, may be canceled or decreased during the lapse period. 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 97 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, 1997, as evidenced by the transaction date on the order document.

All obligation establishments, increases, decreases and cancellations that affect FY 97 processing, must be received in the Office of the Comptroller by **August 22, 1997**.

LAPSE PERIOD - TRANSFERS

All 2% transfers that affect FY 97 processing must be received in the Office of the Comptroller by **August 22, 1997**. All Expenditure Transfers that affect FY 97 processing, must be received in the Office of the Comptroller by **August 15, 1997**.

FY 98 VOUCHERS AND OBLIGATIONS

Expenditures for goods and services contracted for after June 30, 1997 must be charged against FY 98 expenditure authority accounts and cite obligations established in the FY 98 accounts.

FY 98 PRE-FILED CONTRACTS

In order to expedite the processing of FY 98 contracts and to avoid any unnecessary delays, agencies are encouraged to pre-file FY 98 contracts with the Office of the Comptroller. Contracts executed prior to the approval of the related FY 98 appropriations may be filed with the Office of the Comptroller. 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.”

The contracts and associated COD should be submitted to the Pre-Audit Section.

COMPTROLLER'S OFFICE CONTACT LIST

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</u>
Lu Irwin	Contract/Obligations	(217) 782-3686
Linda Seelbach	Vouchers (except Payroll vouchers)	(217) 782-3060
Nancy Smith	Payroll Vouchers	(217) 782-4758
Betty Phillips	Accounting (2% transfers, error corrections ET's, detail object corrections)	(217) 782-7633
Jeannie Mays	Voucher Tape Submittal	(217) 782-3608