



**FINANCE AND ADMINISTRATION CABINET
OFFICE OF THE SECRETARY**

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TO: Constitutional Officers, Cabinet Secretaries,
All Agency Heads, and Fiscal Officers

FROM: Holly M. Johnson, Secretary
Finance and Administration Cabinet

DATE: March 15, 2023

SUBJECT: Closing Schedule – Fiscal Year 2023


In accordance with KRS 45.229(2), the Finance and Administration Cabinet is legally required to close the old year accounts within thirty days of June 30. The schedule of closing procedures for fiscal year 2023 is attached. It includes the deadlines for final eMARS document approvals that apply to accounting, purchasing, budgeting, and personnel matters. It is important that all agencies comply with the document completion schedule and procedures outlined in this memorandum.

Purchases requiring Strategic Procurement Review (SPR) approval must be submitted by May 19 to obtain approval for fiscal year 2023 documents. The agency needs to allow sufficient time for SPR approval and the normal procurement process. A copy of the APPROVED SPR1 must be attached at the header of all applicable procurement/payment documents.

During the closing period, it is important to segregate all transactions for goods and services received by June 30, 2023, from transactions for fiscal year 2024.

Statewide Accounting Services will open fiscal year 2024 in eMARS on Thursday, May 4, 2023. Any additions or changes that agencies make to departmental chart of account elements after May 4, 2023, will need to be made in both fiscal year 2023 **and** fiscal year 2024.

Deadlines vary according to the type of transaction. No deadline is earlier than Friday, April 7, 2023, and none is later than Thursday, July 13, 2023. All transactions for fiscal year 2023 must be final in the eMARS Accounting System by close of business, Friday, July 7, 2023. After Friday, July 7, 2023, all transactions will post to fiscal year 2024 and will be charged to fiscal year 2024 allotments, except those journal voucher documents necessary to close out fiscal year 2023.


Holly M. Johnson, Secretary
Finance and Administration Cabinet

3-15-2023
Date



The Closing Schedule shows the responsibility for approval of eMARS documents, whether Agency, Statewide Accounting Services (SAS), Office of Procurement Services (OPS), Office of the State Budget Director (OSBD), or Department of Treasury (Treasury). This should facilitate agency knowledge of document due dates for final fiscal year 2023 approval. Additional comments follow the charts. **Remember that the last date to post fiscal year 2023 documents is Friday, July 7, 2023. Only CA, JV, JVA, JV2P, JV2IN, JV2T, JV2E, JV2R, and JVC documents will be allowed to post in fiscal year 2023 after this date, and only with override approval from Statewide Accounting Services. ALL documents posting to fiscal year 2023 must be marked Final by 7:00 PM EDT Thursday, July 13, 2023.**

New Year Procurement document activity before **Friday, May 5, 2023**, must use non-accounting event types in order to validate and submit into workflow unless your agency’s fiscal year 2024 allotments have been loaded to eMARS. Agencies may check the status of their fiscal year 2024 allotments on the eMARS website <https://finance.ky.gov/Office-of-the-Controller/Pages/Year-End-Information.aspx> under the “Fiscal Year 2024 Allotments to eMARS” section.

****When creating Fiscal Year 2024 contracts before Friday, May 5, 2023, DO NOT code Fiscal Year 2024 in the Fiscal Year field or you will not be able to open the document.****

Ordered by Document Code

Document Code	Document Description	Final Approval Responsibility	Last Day to Process Old Year	First Day to Process New Year
AD	Automated Disbursement	Agency	6/30/2023	7/1/2023
CA	Cost Allocation	Agency	7/13/2023	7/1/2023
CH	Charge Transaction	Agency	7/7/2023	7/1/2023
CR / CACR	Cash Receipt (Funds 0100 and 1100)	Treasury	6/30/2023	7/1/2023
CR / CACR	Cash Receipt (Funds Non-0100 and Non-1100)	Treasury	7/7/2023	7/1/2023
CT	Contract (Allow sufficient time for Goods Rec by 6/30) (*Attach approved SPR, if applicable, to RQS)	OPS	6/2/2023	<u>Unencumbered - 5/5/2023</u> <u>Encumbered - after New Year allotments</u>
CT	Contract Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved SPR, if applicable)	OPS	6/2/2023	<u>Unencumbered - 5/5/2023</u> <u>Encumbered - after New Year allotments</u>
CTRP1	Contract regarding Real Properties	Facilities Mgmt / Real Properties	6/2/2023	<u>Unencumbered - 5/5/2023</u> <u>Encumbered - after New Year allotments</u>
CTRP1	Contract Modification regarding Real Properties	Facilities Mgmt / Real Properties	6/2/2023	<u>Unencumbered - 5/5/2023</u> <u>Encumbered - after New Year allotments</u>
CWA	Check Writer Accounting	SAS	6/30/2023	7/1/2023

Document Code	Document Description	Final Approval Responsibility	Last Day to Process Old Year	First Day to Process New Year
CWI	Check Writer Intercept Transfer	SAS	6/30/2023	7/1/2023
DO	Delivery Order (Allow sufficient time for Goods Rec by 6/30) (*Attach approved SPR, if applicable)	Agency	6/2/2023	<u>Unencumbered</u> - 5/5/2023 <u>Encumbered</u> - after New Year allotments
DO4	Punch-out Delivery Order (non-Procard) (Allow sufficient time for Goods Rec by 6/30) (*Attach approved SPR, if applicable)	Agency	6/2/2023	<u>Unencumbered</u> - 5/5/2023 <u>Encumbered</u> - after New Year allotments
EFT	Electronic Funds Transfer	Agency	6/30/2023	7/1/2023
GAX	General Accounting Expense/Expenditure	Agency	7/7/2023	7/1/2023
GAX2	General Accounting Revenue Refund	Agency	7/7/2023	7/1/2023
GAX3	General Accounting Balance Sheet Payable	Agency	7/7/2023	7/1/2023
IET	Internal Exchange Transaction	Agency	6/30/2023	7/1/2023
IT	Intercept Transfer	SAS	6/30/2023	7/1/2023
ITA	Internal Transaction Agreement	Agency	6/30/2023	7/1/2023
ITI	Internal Transaction Initiator	Agency	6/30/2023	7/1/2023
JV	Standard Journal Voucher	SAS	7/13/2023	7/1/2023
JV2E	Cash Expenditure Correction	Agency	7/13/2023	7/1/2023
JV2IN	Investment Adjustments	SAS	7/13/2023	7/1/2023
JV2P	Parks Receivable	SAS	7/13/2023	7/1/2023
JV2R	Cash Collected Earned Rev Correction	Agency	7/13/2023	7/1/2023
JV2T	Transfer	SAS	7/13/2023	7/1/2023
JVA	Advanced Journal Voucher	SAS	7/13/2023	7/1/2023
JVBK	Bank Transfer Journal Voucher	SAS	6/30/2023	7/1/2023
JVC	Cost Accounting Journal Voucher	SAS	7/13/2023	7/1/2023
KBUD	KBUD Budget Requests/Modifications	OSBD	7/7/2023	5/5/2023
MD	Manual Disbursement	Treasury	7/7/2023	7/1/2023
OB1	Management Budget	Agency	7/13/2023	7/1/2023
PO	Purchase Order and Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved SPR, if applicable)	Agency	6/2/2023	<u>Unencumbered</u> - 5/5/2023 <u>Encumbered</u> - after New Year allotments
PO	Request for Spec Authority, exception to sealed bid - all purchases and modifications (Allow sufficient time for Rec by 6/30) (*Attach approved SPR, if applicable)	OPS	6/2/2023	<u>Unencumbered</u> - 5/5/2023 <u>Encumbered</u> - after New Year allotments
SC	New Year MOA/PSC exception as defined by KRS 45A.690 or agency exemption as defined by statute or the LRC – New Year SC requiring an effective date of 7/1)	OPS	NA	Now if using non-encumbering event type.

Document Code	Document Description	Final Approval Responsibility	Last Day to Process Old Year	First Day to Process New Year
SC	Old Year MOA/PSC exception as defined by KRS 45A.690 or agency exemption as defined by statute or the LRC – Old Year SC modifications for services performed by 6/30 – Place Old Year in Document Description	OPS	6/2/2023	NA
PON2	New Year Proof of Necessity Agreement- New Year PSC/MOA requiring an effective date of 7/1 (*Attach approved SPR, if applicable)	OPS	NA	Now if using non-encumbering event type
PON2	Old Year Proof of Necessity Agreement- Old Year PSC/MOA modifications for services performed by 6/30-Place Old Year in Document Description (*Attach approved SPR, if applicable)	OPS	4/28/2023	NA
PRC	Commodity Based PR (*Attach approved SPR if applicable)	Agency	7/7/2023	7/1/2023
PRCC	Commodity Based PR Pro Card (*Attach approved SPR if applicable)	Agency	7/7/2023	7/1/2023
PRCI	Commodity Based Internal PR	Agency	7/7/2023	7/1/2023
RC	Receiver	NA	6/30/2023	7/1/2023
RE	Receivable	Agency	7/7/2023	7/1/2023
RQS	Standard Requisition < \$40,000- all purchases (Allow Sufficient time for Goods Rec by 6/30) (*Attach approved SPR, if applicable)	OPS	5/12/2023	5/5/2023
RQS	Standard Requisition >= \$40,000 all purchases (Allow Sufficient time for Goods Rec by 6/30) (*Attach approved SPR, if applicable)	OPS	4/7/2023	5/5/2023
TP	Travel Payments	Agency	7/7/2023	7/1/2023

ADDITIONAL COMMENTS

AGENCIES

1. Imprest/Petty Cash Reimbursement Schedules. Final imprest cash reimbursement schedules for fiscal year 2023 must be processed on a GAX document type by close of business Friday, July 7, 2023, to charge old year funds. Reimbursements processed after Friday, July 7, 2023, will be charged to fiscal year 2024. Requests for amendments to present authorities should be sent to Phil Nally in Statewide Accounting Services at phil.nally@ky.gov.

STATEWIDE ACCOUNTING SERVICES

1. Closing Dates. The Soft Close for accounting period 12/2023 will be Friday, June 30, 2023. The Hard Close will be Friday, July 7, 2023. The Soft Close for accounting period 13/2023 will be Friday, July 7, 2023. The Hard Close will be 7:00 PM EDT Thursday, July 13, 2023.
2. Reimbursement Output. The last FY 2023 Reimbursement Output will run on Friday, June 30, 2023, for transactions posted through Friday, June 30, 2023.

The chart below describes the accounting periods (i.e. Fiscal Month and Fiscal Year) that apply to documents generated by Reimbursement Output.

	BILLING DATES			
	JUNE 16	JUNE 23	JUNE 30	*JULY 7
Calendar Dates Covered	06/12-06/16	06/19-06/23	06/26-06/30	07/03-07/07
RE submission Accounting Period	12/2023	12/2023	12/2023	01/2024
Open Accounting Periods for the CR/CACR submission	12/2023	12/2023	12/2023 13/2023	01/2024

*Documents generated from the July 7 Reimbursement Output run will post to Fiscal Year 2024, but may be JV'd back to Fiscal Year 2023 with OSBD and SAS approval.

3. Cost Allocation. Cost allocation will run for accounting period 12/2023 with the following schedule.
 - CHFS 7-3-2023
 - COT 7-3-2023
 - DMA 7-3-2023
 - EEC 7-3-2023
 - LABOR 7-3-2023
4. CA's created from the 12/2023 allocation must be posted by COB Friday, July 7, 2023.
5. Cost Allocation. Cost allocation will run for accounting period 13/2023 with the following schedule.
 - CHFS 7-10-2023
 - DMA 7-10-2023

6. CA's created from the 13/2023 allocation must be posted by COB Thursday, July 13, 2023.

Note: The dates for Cost Allocation outlined in this Schedule pertain to internal allocations in those agencies and are not related to multi-agency billings such as COT, Printing, Fleet, etc...

7. Encumbrances. Budget fiscal year 2023 encumbrances will be liquidated in budget fiscal year 2023 and remaining balances will be established in budget fiscal year 2024 on Tuesday, July 4, 2023, except for the capital projects fund (since the budget fiscal year remains the same throughout the life of the project). **Encumbrances under \$1,000 for all other funds** will be liquidated, but they will not be re-established in 2024. Fiscal year 2024 payments against these 2023 encumbrances that were not re-established must be paid on a standalone PRC document with a memo reference to the encumbering document. Encumbrances that were re-established in fiscal year 2024 must be paid as a 2024 payment after July 4, 2023. A JV2E document may be used to move the expenditure back to fiscal year 2023. **We anticipate eMARS to be unavailable Tuesday, July 4, 2023, in order to complete the encumbrance roll.**

Pending Encumbrance and Expenditure Transactions. All budget fiscal year 2023 pending encumbrance transactions, modifications, and cancellations (other than capital projects) must post to final prior to COB Friday, June 30, 2023, allowing the encumbrance roll to complete. All budget fiscal year 2023 pending expenditure transactions, modifications, and cancellations (other than capital projects) must post to final prior to COB Friday, July 7, 2023, creating final budgetary balances. Any of the above 2023 documents in the pending phase will be rejected back to draft phase after the specified dates.

8. Annual Financial Report and Annual Inventory. The Office of Statewide Accounting Services will be requesting closing financial data for the purpose of preparing the Commonwealth's Annual Comprehensive Financial Report in compliance with Generally Accepted Accounting Principles (GAAP). The request will arrive around Monday, May 1, 2023. It is extremely important that all the agencies submit their closing packages as thoroughly and accurately as possible. The fiscal year 2023 Annual Comprehensive Financial Report (ACFR) training will be held via MS TEAMS using the CRC "eMARS User Training" channel. Training dates have not been set at this time but will occur in May or June. It is important that all preparers complete the training due to updates made by the Office of the Controller for the implementation of new accounting standards from the Governmental Accounting Standards Board (GASB). Additional inquiries may be sent to Jessica Pinkston at jessica.pinkston@ky.gov.

Fixed Asset Inventory. **ONLY non-expendable personal property is required to be inventoried for Fiscal Year 2023**. Certified inventory reports are due to the Office of Statewide Accounting Services by Wednesday, May 31, 2023. Physical Inventory Procedures are found at the following website: <https://finance.ky.gov/office-of-the-controller/office-of-statewide-accounting-services/financial-reporting-branch/Pages/fixed-assets.aspx>.

SEFA. Training will be held via MS TEAMS using the CRC "eMARS User Training" channel. Training dates have not been set at this time but will occur in May or June. It is important that all preparers attend the training due to these significant changes made by the Office of the Controller. Additional inquiries may be sent to Gina Shall at ginac.shall@ky.gov.

9. Because of statutory requirements, the Office of the State Budget Director and the Office of Statewide Accounting Services will not be able to unilaterally increase appropriations during the closing period

OFFICE OF PROCUREMENT SERVICES

Old Year Purchase requests (RQS) for all goods that are not currently on contract that exceed the agency's small purchase limit shall be sent to the Finance and Administrative Cabinet, Office of Procurement Services, no later than Friday, April 7, 2023, for requests equal to or above \$40,000. Requests less than \$40,000 must arrive no later than Friday, May 12, 2023. All Purchase requests (RQS) shall be processed using the same procedures that are required per the Strategic Procurement Request process. The agency must allow enough time for the approved disposition to be returned to them and attach it to the header of the RQS. The Finance and Administration Cabinet will not begin processing the RQS until the SPR1 has been approved. **The agency must receive an approved SPR document (if applicable) before the items can be purchased by any method. All items must be received no later than Friday, June 30, 2023 to be paid out of old year funds. If a purchase for furniture is authorized, the Division of Correctional Industries or the Division of Surplus Property shall be utilized whenever possible.**

1. Purchase Requests (RQS) Equal to or Above \$40,000 (Old Year). Old Year purchase requests equal to or above \$40,000 must be received by the Office of Procurement Services (OPS) by close of business Friday, April 7, 2023, and delivery must be assured by Friday, June 30, 2023, to be paid out of fiscal year 2023 funds. Purchase requests submitted between now and Friday, April 7, 2023, **should state in the document comments of the purchase request one of two statements: "Delivery is desired prior to June 30, 2023," allowing OPS to award the Contract and if delivery could not be made until after Friday, June 30, 2023, payment would be made with fiscal year 2024 funds; or "Delivery must be completed prior to June 30, 2023," and if the vendor could not meet the delivery requirement, OPS would not issue a Contract.** *If neither of the above statements is indicated, the purchase request will not be processed until this information is received from the requesting agency. It will be the agency's responsibility to add the appropriate statement to the document comments prior to the Friday, April 7, 2023, deadline for fiscal year 2023 funding.* Due to the volume of old year purchase requests received by OPS, agencies are to submit their purchase requests as soon as possible. If an agency delays its requests until just before the deadline, the chances of processing and obtaining deliveries by Friday, June 30, 2023, are greatly reduced. *Agencies should also ensure that their purchase request provides complete information on the transaction (i.e. adequate specifications, best value criteria, suggested sources (added to the free form vendor section), quantity, estimated price, valid account codes, etc.).* This requirement does not apply to purchase requests for the establishment of master agreements since no encumbrance of funds is involved. Agencies should not submit requests for new year purchases before Friday, May 5, 2023, and must clearly state on the purchase request that delivery is not desired or required prior to July 1, 2023. Place this information in the document comments.
2. Small Purchase Requests (RQS). For purchase requests that exceed an agency's small purchase authority, the Office of Procurement Services (OPS) may exercise its Small Purchase Authority, to a maximum of \$40,000, when it can be determined that the purchase will not exceed the estimated amount in accordance with KRS 45A.100. The small purchase request should be received in OPS by close of business Friday, May 12, 2023, to allow time for required solicitation of quotations, encumbrance of funds, contract award, and vendor delivery by Friday, June 30, 2023. Purchase requests submitted between now and Friday, May

12, 2023, should state in the document comments of the purchase request one of two statements: **“Delivery is desired prior to June 30, 2023,”** allowing OPS to award the Contract and if delivery could not be made until after June 30, 2023, payment would be made with fiscal year 2024 funds; or **“Delivery must be completed prior to June 30, 2023,”** and if the vendor could not meet the delivery requirement, OPS would not issue a Contract. *If neither of the above statements is indicated, the purchase request will not be processed until this information is received from the requesting agency. It will be the agency’s responsibility to add the appropriate statement to the document comments prior to the Friday, May 12, 2023, deadline for fiscal year 2023 funding.* Due to the volume of old year purchase requests received by OPS, agencies are to submit their purchase requests as soon as possible. If an agency delays its requests until just before the deadline, the chances of processing and obtaining deliveries by Friday, June 30, 2023, are greatly reduced. *Agencies should also ensure that their purchase request provides complete information on the transaction (i.e. adequate specifications, best value criteria, suggested sources, quantity, estimated price, valid account codes, etc.) and has the approved SPR1 attached at the header.* The total aggregate amount cannot be artificially divided by submitting more than one requisition for the same item during the closeout period. This would be in violation of KRS 45A.100(2). Old year small purchase requests totaling \$40,000 or less will be awarded from fiscal year 2023 funds when delivery is guaranteed and completed by Friday, June 30, 2023. Deliveries made after Friday, June 30, 2023, will be charged against fiscal year 2024 funds. All requests must comply with the guidelines listed in the introductory paragraphs for this section.

3. Purchase Orders, Requests for Approval for Special Authority, Exception to Sealed Bid. All requests for special authority contracts with a delivery date required before Friday, June 30, 2023, and payment from old year funds must arrive in the Office of Procurement Services (OPS) by close of business Friday, May 19, 2023, to allow adequate time for services to be performed and goods delivered by the end of the fiscal year. Special authority contracts that are for payment only must arrive in OPS by close of business Friday, June 2, 2023. All requests must comply with the guidelines listed in the introductory paragraphs for this section and with the requirements of the Finance Policies and Procedures Manual. **A copy of the APPROVED SPR1 and the Required Affidavit for Bidders, Offerors and Contractors must be attached at the header of all procurement/payment documents.**
4. Modifications. All requests for changes to contracts issued by the Office of Procurement Services (OPS) that affect old year allotments must arrive in OPS by the close of business Friday, June 2, 2023. Agencies must process changes to their own contracts that affect old year allotments by close of business Friday, June 30, 2023.
5. Personal Service Contracts/Modifications/MOAs for Services performed by Friday, June 30, 2023. In order to guarantee payment from fiscal year 2023 funds, agencies must submit all PSCs/Modifications/MOAs to the Office of Procurement Services (OPS) by close of business Friday, April 28, 2023, to allow adequate time to process for the June meeting of the Legislative Research Commission (LRC). Agencies that do not process PSCs and MOAs through OPS must submit all PSC’s/Modifications/MOAs to LRC no later than Friday, May 12, 2023. PSCs/Modifications/MOAs arriving in OPS after Friday, April 28, 2023, or LRC after Friday, May 12, 2023, will not be processed for approval prior to the end of fiscal year 2023 and shall be paid from fiscal year 2024 funds.

New Personal Service Contracts or MOAs that require an effective date so that services begin on July 1, 2023. Agencies may submit to OPS beginning immediately, but no later than Friday, May 12, 2023, to allow adequate time to process for the July meeting of the Legislative Research Commission (LRC). Agencies should plan their contracting schedule taking into consideration the additional review process of their RFPs by the Finance Cabinet. The RFP shall be submitted at least 7 days prior to the intended RFP “let date” (published date), and a “close date” a minimum of 7 calendar days after the “let date”.

FUND BALANCES

1. **General Fund.** *All General Fund balances at the close of the fiscal year shall lapse to the surplus account of the General Fund, with the exception of statutory or budget bill authorized continued appropriations.*
2. **Capital Projects Fund.** Capital Projects fund balances (appropriations, allotments, cash, and encumbrances) will remain in the same budget fiscal year. No carry forward entries are required.
3. **Road Fund.** All Road Fund balances at the close of the fiscal year shall lapse to the surplus account of the Road Fund, with the exception of statutory or budget bill authorized continuing appropriations.
4. **All Funds (except Capital Projects Fund).** The final period cash report will serve as the ending balance resource as cash is not segregated by fiscal year. Agency funds are not allowed to close with negative balances. Beginning in the first week of July, Statewide Accounting Services staff will work with agencies to clean up any remaining negative cash balances. On Friday, July 14, 2023, Statewide Accounting Services staff will begin final preparations for the Hard Close. All allotment balances except continued appropriations will lapse.
5. **Requests for Fund Transfers to the General Fund.** Requests for fund transfers to the General Fund must be submitted in writing to the Office of the State Budget Director by close of business Friday, June 30, 2023.