eMARS Newsletter

June 23, 2015 **Issue 44**

The eMARS Newsletter disseminates information to agency users on key topics associated with the system.

eMARS Outage

eMARS will be unavailable Friday, July 3, 2015 through Sunday, July 5, 2015 in order to complete necessary year-end activities.

Year-End Closing Memo

The Fiscal Year 2015 Year-End closing memo is posted at: **http://finance.ky.gov/services/statewideacct/Pages/yearendsupport.aspx.** All dates referenced in this newsletter are discussed in the memo in detail.

If you have any questions, please contact the Customer Resource Center (CRC) at **Finance.CRCGroup@ky.gov** or via phone at 502.564.9641 (Toll-Free 877.973.4357).

New Year Table Initialization (NYTI) Process

On May 7, 2015, the Office of the Controller ran the *New Year Table Initialization (NYTI)* process in eMARS. This process copied all active records on all tables keyed by *Fiscal Year* from the current *Fiscal Year* (2015) to the new *Fiscal Year* (2016). *Fiscal Officers* should review all agency maintained tables (primarily departmental *Chart of Accounts* tables) to ensure the active 2016 records are valid.

As part of this process, the *Effective To* and *From* dates were cleared on the 2016 records. Therefore, if your agency uses these dates **for a functional purpose**, you will need to update the 2016 record on the appropriate table with the dates. Please be aware, if you intend for these records to be effective from July 1, 2015 to June 30, 2016, you do **NOT** need to update.

In addition, any new 2015 records entered after May 8, 2015, will also need to be entered as a 2016 record, if applicable.

If you have any questions concerning this process, please contact the Customer Resource Center at Finance.CRCGroup@ky.gov or via phone at 502.564.9641 (Toll-Free 877.973.4357).

Completing Payment Documents During Period 13

Payments made **between July 1 and July 10** have the option to be paid from either 2015 *Old Year* funds or 2016 *New Year* funds. Users who intend for the payment document to post to *Fiscal Year 2015*, *Period* 13 **must** enter the entire fiscal period on the payment document: *Budget FY (2015); Fiscal Year (2015);* and *Period (13).* These fields may be entered on the *Header* of the payment document or on each *Accounting Line.* If entered on the *Header,* the *Fiscal Period* will apply to all accounting lines on the document.

If the fiscal period is not entered on the payment document, then the current fiscal period (*Period 1, 2016)* will infer upon final approval. In addition, payments created during June (*Period 12, 2015*) **must** be submitted and all approvals applied before **COB, June 30**. Otherwise, *Period 1, 2016* will be inferred.

For example, a *PRC* is created and submitted on June 25 with the *Budget FY, Fiscal Year* and *Period* left blank; if the final approval **is** applied before **COB, June 30**, then *Period 12, 2015* will be inferred. If the final approval **is not** applied until July 1, then *Period 1, 2016* will be inferred.

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In summary, please pay attention to the following points when completing payment documents during *Period 13:*

Note: These rules **do not** apply to *Capital Funds (BFY*=9999*).*

- The entire *Fiscal Period 13* (*BFY*=2015, *FY*=2015, *Period*=13) **must** be entered on the document. If the *BFY* is left blank, a *staging* error is returned.
- *Fiscal Period 13* (*BFY*=2015, *FY*=2015, *Period*=13) may be entered on the *Header* section or on the *Accounting* line of the document.
  - *Fiscal Period* entered on the *Header* **will** infer on all blank *Accounting* lines.
  - *Fiscal Period* entered on an *Accounting* line **will** always override *Fiscal Period* on *Header*.
  - *Fiscal Period 13* (*BFY*=2015, *FY*=2015, *Period*=13) **must** be entered on the *Header* section of a **PRCI** document.
  - *Fiscal Period 13* (*BFY*=2015, *FY*=2015, *Period*=13) **must** be entered on the *Header* section of a **PRC2** document.
- *Fiscal Period 13* payment documents **must** be submitted to final by **COB, Friday, July 10.**
- *Fiscal Period 13* payments against encumbering awards must be submitted to final by **COB, Thursday, July 2.**

Budget Fiscal Year (BFY) 2015 Pending Transactions

Documents submitted with a *Phase* of *Pending* affect cash and budget balances. Therefore, expenditure and encumbrance transactions **must** be cleared by the following dates:

- All *Budget Fiscal Year* (*BFY)* 2015 encumbering documents, modifications and cancellations (other than *Capital Projects*) **MUST** be submitted to *Final* phase or rejected back to *Draft* phase by **COB (7:00 p.m.), Thursday, July 2.**
- All *BFY* 2015 pending expenditure documents, modifications and cancellations (other than *Capital Projects*) **MUST** be submitted to *Final* phase or rejected back to *Draft* phase prior to **COB (7:00 p.m.), Friday, July 10**.

Any *BFY* 2015 documents in *Pending* phase after the dates specified above **will** be rejected back to *Draft phase* by the Office of the Controller.

Note: Departments may utilize the *Document Phase Universe-KY* in infoAdvantage to assist with locating pending documents or reference the *FY 2015 eMARS Pending Transactions.xls* file posted under the *Year-End Information* on the eMARS Web site at:
http://finance.ky.gov/services/statewideacct/Pages/yearendsupport.aspx

Fiscal Year (FY) 2015/2016 Encumbrance Roll/Lapse

The encumbrance roll process to move encumbrances from *FY15* to *FY16* is scheduled to begin the evening of **Thursday, July 2, 2015. Only encumbrances greater than $1,000 will roll** to FY16. Encumbrances less than or equal to **$1,000** will lapse, thus closing the award. This process applies to **ALL** non-capital fund encumbrances on **all** award documents including *PON2s*.

Users should make every effort to clean up or pay *FY15* encumbrances prior to **COB, July 2, 2015**. The *2302 Outstanding Encumbrance* report within infoAdvantage may be used to aid in cleanup efforts.

Payments Against Lapsed Awards

Remember **all** non-capital encumbrances **less than or equal to $1,000 will lapse** after **COB, Thursday, July 2, 2015.** A new *Cited Authority, YEAR-END LAPSE*, has been established to accommodate payments against lapsed awards. Please adhere to the following when making payments against these awards after July 5:

- Payments against lapsed *PON2*s
  - *Copy Forward* to *PRC*
  - Select "Memo" *Reference Type*
  - Enter **YEAR-END LAPSE** *Cited Authority* on the *PRC*

- Payments against all other awards (non-*PON2*)
  - *Copy Forward* to *PRC*
  - Select "Memo" *Reference Type*
  - Enter **YEAR-END LAPSE** *Cited Authority* on the PRC

Fixed Assets News

Real Property Closing Packages will be distributed around mid-August. The cover letter will include the date the packet is due back to the Office of the Controller. Once you receive your Real Property Closing Package, should you have any questions, please contact Anthony Murray at 502-564-8769 or Anthony.Murray@ky.gov

Please begin cleaning up your *Fixed Assets* shells. If possible, submit the shells. If the shells cannot be used, be sure to appropriately enter documents *from scratch* to record those fixed assets in eMARS. The target date for having all fixed assets shells, $5,000 and above, processed is **August 24, 2015.** A *Shell Generation Report* is published weekly at: http://finance.ky.gov/services/statewideacct/Pages/reportingandarchives.aspx to assist agencies in identifying shells.

Please submit all information requested by the Office of the Controller in a timely manner so that work can begin on the FY 2015 CAFR.

Deferred Payroll

On the May 16 – May 30 payroll (PP11), posted on June 9, 2015, the accounting lines for health insurance (E123) were removed from the documents. These charges appear on a separate document that will process on July 1, 2015 as FY16 expenditures. The document ID will be identical to the June 9 document ID except a "P" will be at the end of the ID. June 1 – June 15 payroll (PP12) will post on July 1 as FY16 expenditures. Users will NOT be able to JV any of these payroll expenditures from FY16 to FY15. They must remain in FY16.

New Year Contracts

When creating contracts for the new fiscal year, FY16 prior to July 1, agencies should NOT encumber funds in FY15. If the agency allotments have not been loaded, the non-accounti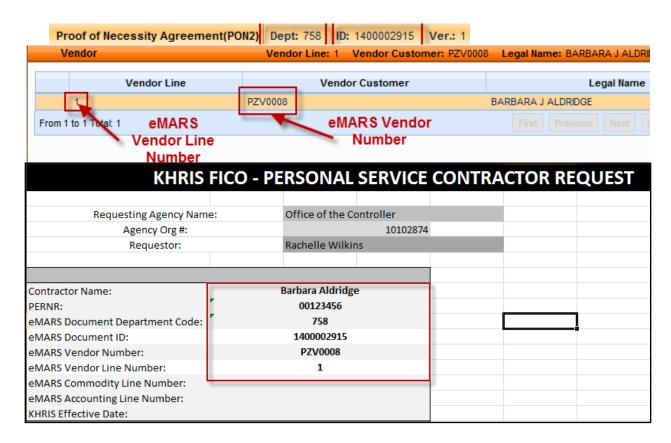ng event type (PR07) must be used. Once the agency allotments have been loaded, the existing FY16 contracts may be modified to change the event type to an encumbering event type (PR05 or PR06), if desired. Newly created FY16 contracts may use the encumbering event types (PR05 or PR06). All FY16 contracts created before July 1 must have the entire fiscal period (FY=2016, BFY=2016, **Period=1**) entered on the header or accounting line of the document. Lastly, biennial (two-year) contracts should have a Commodity line per fiscal year and only encumber one fiscal year at a time.

KHRIS Personal Service Contracts (PON2s)

Prior to the beginning of each fiscal year, personal service contract information must be updated in KHRIS to prevent improper posting of PRC documents submitted via the KHRIS to eMARS interface.

Fiscal Year 2016 is the second year of the biennium. Many contact contain a 2nd commodity line for the 2nd Fiscal Year. This will need to be updated in KHRIS. eMARS accounting/procurement staff should work with their human resource staff and utilize the *FICO/PSC Request Vendor Form* located at: https://hr.personnel.ky.gov/Pages/Forms-F-H.aspx

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KHRIS Screens

KHRIS on the Display Position (P013D), 1018 Cost Distribution screen

KHRIS HR Master Record (PA20), 0105 Communication screen

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If at any point during the life of the contract the Commodity or Accounting line number changes, it is important to supply that information to the human resource staff so that updates can be completed in KHRIS. It is important that accounting/procurement staff and human resource staff communicate with one another to ensure personal service contract data in KHRIS is accurate. Changes for the first FY15 payroll are as soon as possible. If changes are due and not submitted, please submit to your human resource team immediately.

Friendly Reminders

Approvals
- Review documents before submitting
- Rejections slow down process
- Assemble or re-assemble procurement documents prior to submitting
- OPS processing documents First In First Out, please be patient and do not email asking for documents to be approved

Delivery Orders
- Creating DOs against MAs is a good practice
  - Establishes pricing on order
  - Minimized problems with payment process
- Once MA has expired neither DO or PRC can be properly referenced
  - Many MAs expire June 30

Follow Payments Through
- Daily review AD/EFT Exception report to ensure payments have been disbursed
- FY15 payments on the AD/EFT Exception report after PER 13 soft close (July 10) will be closed by the Office of the Controller
  - **Vendor will NOT received payment**

Allotments
- FY15 General Fund allottments will collapse by object type, effective July 1, 2015
- All allotments must be in the "black" by the end of the Fiscal Year
- During closeout, agencies should utilize the budget screens in eMARS as infoAdvantage reports are a day behind and do not include pending amounts
  - BQ3LV1 (Appropriation)
  - BQ3LV2 (Allotment)
  - BQ3LV3 (Object Allotments)

Personnel Expenditures
- Personnel expenditures for the last payroll period **cannot** be JVed from FY15 to FY14

Cash Overrides
- All agency cash overrides MUST be reviewed annually
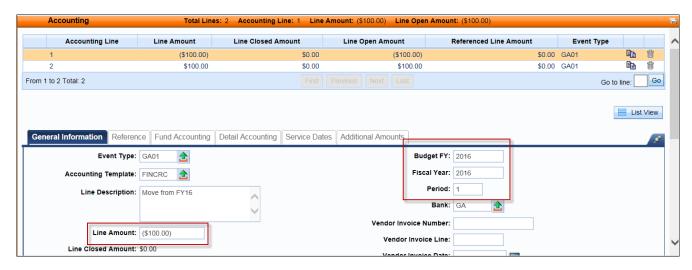- Submit request on a SAS14 to the Office of the State Budget Director

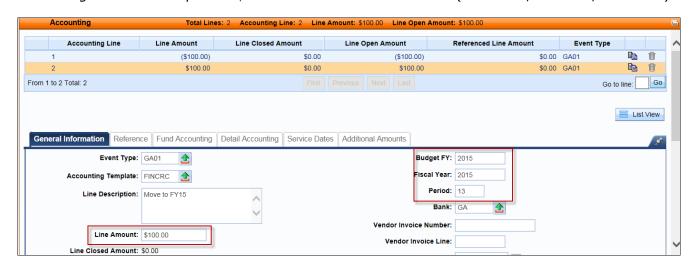## Moving Expenditures Between Fiscal Years

A *JV2E* document may be used to move <u>non-personnel</u> expenditures between *Budget Fiscal Years*. **Please be aware agencies are not permitted to JV personnel expenditures from FY16 to FY15.**

Example: $100 expenditure (non-personnel) was paid from *BFY* 2016 (new-year) and should have been paid from *BFY* 2015 (old-year).

Accounting Line 1 shows a negative ($100.00) and the 2016 *Fiscal Period* (*BFY*=2016; *FY*=2016; *Period*=1).

Accounting	Total Lines: 2	Accounting Line: 1	Line Amount: ($100.00)	Line Open Amount: ($100.00)		
Accounting Line	**Line Amount**	**Line Closed Amount**	**Line Open Amount**	**Referenced Line Amount**	**Event Type**	
1	($100.00)	$0.00	($100.00)	$0.00	GA01	
2	$100.00	$0.00	$100.00	$0.00	GA01	

From 1 to 2 Total: 2   First Previous Next Last   Go to line: Go

List View

General Information | Reference | Fund Accounting | Detail Accounting | Service Dates | Additional Amounts

- Event Type: GA01
- Accounting Template: FINCRC
- Line Description: Move from FY16
- Line Amount: ($100.00)
- Line Closed Amount: $0.00
- Budget FY: 2016
- Fiscal Year: 2016
- Period: 1
- Bank: GA
- Vendor Invoice Number:
- Vendor Invoice Line:
- Vendor Invoice Date:

Accounting Line 2 shows a positive $100.00 and the 2015 *Fiscal Period* (*BFY*=2015; *FY*=2015; *Period*=13).

Accounting	Total Lines: 2	Accounting Line: 2	Line Amount: $100.00	Line Open Amount: $100.00		
Accounting Line	**Line Amount**	**Line Closed Amount**	**Line Open Amount**	**Referenced Line Amount**	**Event Type**	
1	($100.00)	$0.00	($100.00)	$0.00	GA01	
2	$100.00	$0.00	$100.00	$0.00	GA01	

From 1 to 2 Total: 2   First Previous Next Last   Go to line: Go

List View

General Information | Reference | Fund Accounting | Detail Accounting | Service Dates | Additional Amounts

- Event Type: GA01
- Accounting Template: FINCRC
- Line Description: Move to FY15
- Line Amount: $100.00
- Line Closed Amount: $0.00
- Budget FY: 2015
- Fiscal Year: 2015
- Period: 13
- Bank: GA
- Vendor Invoice Number:
- Vendor Invoice Line:

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When processing *JV2E* documents during fiscal year-end, remember the following:

- *JV2Es* to move expenditures between *BFYs* require the entire *Fiscal Period* (*BFY*, *FY*, and *Period*) to be entered on each *Accounting Line*.
- *JV2Es* with *BFY* 2015 reference may be processed within the agency up to **COB, July 10**.
- *JV2Es* with *BFY* 2015 reference processed between **July 11** and **July 16** will require override/approval by the Office of the Controller, Statewide Accounting Services.
- Agencies are **NOT** permitted to JV personnel expenditures from FY16 to FY15.

Year-End and New Year Frequently Asked Questions (FAQs)

Accounting/Financial FAQs

Q: How are new accounting structures established?
A: New accounting structures *(Fund, Function)* are established on an [SAS-14](#) form and processed through the Office of the State Budget Director (OSBD).

Q: When will encumbrances roll over to the New Year?
A: Beginning at COB, **Thursday, July 2, 2015**, **all** *2015 Budget Fiscal Year* encumbrances **greater than** $1,000, excluding *Capital Funds,* will roll over to *Fiscal Year 2016.* In addition, encumbrances **less than or equal** to $1,000 **will** lapse, thus closing the respective award. *Capital Project* encumbrances require no action since their *Budget Fiscal Year* remains the same throughout the life of the project.

Q: When is the last day to make payments from FY15?
A: The last day to make any type of payment for *FY15* is **Friday, July 10, 2015**. Payments made after July 10 will pay from *FY16* funds. The last day to make payments against *FY15* encumbering awards will be **Thursday, July 2**. The last day to make internal payments via *IET; ITI/ITA is* **Tuesday, June 30**.

Q: When is the Hard Close for June (Period 12)?
A: The *June Hard Close* will be **Monday, July 6, 2015**.

Q: When are the closing dates for Period 13?
A: The *Period 13 Soft Close* will be **Friday, July 10, 2015.** The *Hard Close* will be **COB, Thursday, July 16, 2015.**

Q: Can FY15 payments post after June 30?
A: *FY15* payments (non-encumbrance) may be made via eMARS until **COB, Friday, July 10.** The *Budget Fiscal Year* (*BFY* = 2015), *Fiscal Year* (*FY* = 2015) and *Period* (*Period* = 13) **must** be entered on the payment document.

Q: Can FY15 receipts post after June 30?
A: *FY15* revenue for the *General Fund (0100)* and *Road Fund (1100)* **cannot** post to *FY15* after June 30. Receipts for all other funds (done on *CR* documents) **must** be in the Treasury no later than **COB, Friday, July 10.**

Q: Where can I find a listing of the last dates that documents may be processed?
A: Refer to the *Closing Memo - Fiscal Year 2015* document posted on the eMARS Web site at http://finance.ky.gov/services/statewideacct/Pages/yearendsupport.aspx for *Last Day to Process Old Year* documents.

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Procurement FAQs

Note: In each *FAQ* scenario in this section the amount of the payment **must not** exceed the balance amount of the contract. In addition, all required *EO1s* **must** be approved prior to procurement activity.

Q: How do I liquidate encumbrances that should not roll over to the new Fiscal Year?
A: For all encumbering awards *(PON2/PO/CT/DO)*, *Copy Forward* and create a zero dollar *Payment Request* (*PRC)* document. Mark it *Final* in the *Reference* field on both *Commodity* and *Accounting* lines. This *PRC* **must** be processed by **COB, Thursday, July 2, 2015**. A second option is to modify the award to the amount paid/closed on each commodity line.

Q: How do I pay the balance of an award (PON2/PO/CT/DO) in the new Fiscal Year that expired on June 30, 2015 for services/commodities received prior to June 30, 2015?
A: The service dates on the payment document should reflect the actual dates of service, and will occur within the service dates of the award. Payments against expired awards are permitted provided the goods or services were incurred prior to the award expiration date. Follow instructions provided in this newsletter for payments in Period 13 and/or against rolled or lapsed awards.

Q: How do I pay against a Master Agreement in the New FY that expired on June 30, 2015 for services/commodities received prior to June 30, 2015?
A: If you generally make payments directly referencing a *Master Agreement (MA)* document, the *MA* will not be found on *URCATS* after the expiration date. It is recommended that a *Delivery Order* (*DO*) be created and the *DO* approved to *Final Status* **prior** to the *MA* expiration. Should an agency fail to create a *DO* prior to the *MA* expiration date and a payment is due, create a stand-alone *PRC* and include documentation, such as the expired *MA number* and date of service in the *Document Description* field of the *PRC*. Use *Cited Authority FAP111-09-00-12*. This will send the *PRC* to the Office of Procurement Services for approval. NOTE: Approvals will only be applied with proper documentation. **To avoid this additional step, agencies should create a *DO* for any payment on *MAs*.**

Q: How do I make a FY15 payment against an encumbering award once the encumbrance rolls on July 3?
A: Once the encumbrances roll to *FY16*, the payment must reference the award and be paid from *FY16.* However, you still have an opportunity to *JV* non-personnel expenditures back to *FY15* on a *JV2E* document until **7:00 pm EDT, Thursday, July 16, 2015.**

Q: How do I make a payment against an award that lapsed?
A: All encumbrances **less than or equal** to $1,000 **will** lapse beginning **COB, Thursday, July 2, 2015**. If a payment for goods received or services rendered is required after the lapse, *Copy Forward* to a *PRC* document; select *Memo* as the *Reference Type*; and use the **YEAR-END LAPSE** as the *Cited Authority*.

A Message from the State Treasurer's Office

The State Treasurer's Office asks that agencies with year-end deposits, which must be posted by June 30 (primarily Fund 0100 and Fund 1100), to not wait until the last minute to send those to the Treasurer's Office. Sending agency deposits to the Treasurer's Office prior to the June 30 deadline will help ensure that they are processed in a timely manner. Last minute deposits will be prioritized for processing according to budget impact. If agencies will remit their deposits as early as possible, it is hoped that all June 30 deposits will be processed timely. Deposits to Funds other than 0100 and 1100 may continue using Accounting Period 13 until Friday, July 10, 2015. Lastly, it is also very important that agencies with incoming electronic deposits prepare their CR documents as early as possible and notify the Treasury Department Accounting Branch so that those funds may be claimed and posted.

For more information on eMARS, please refer to the eMARS Web site @ http://finance.ky.gov/internal/emars/