

eMARS NEWSLETTER

JUNE 3, 2020



Issue 5

eMARS will be available daily
from 7 am -7 pm

Fiscal Year End is AWESOME!!!!

*Said no one in Budget, Accounting or
Procurement EVER.*

COVID-19

The Finance and Administration Cabinet continues to provide guidance related to the COVID-19 State of Emergency. The following memos have been posted to the Finance [website](#).

- [Families First Coronavirus Response Act Tracking Expenses Memo](#)
- [COVID-19 Fixed Asset Inventory Procedural Memo](#)
- [COVID-19 Wireless Devices Memo](#)
- [CARES Act Tracking Expenses Memo](#)

The Finance Cabinet is here to assist all state agencies during this time. Please contact the Customer Resource Center with any questions or concerns.

It is crucial that all expenses related to the COVID-19 are tracked and reported correctly. Please review all Office of the Controller COVID-19 guidance [here](#):

Reimbursed Expenses:

- For expenses that are directed by the Department of Public Health or the Division of Emergency Management in relation to Executive Order 2020-215 or related to a federal grant directed at the response to COVID-19, a new Function code has been established. Users will need to use the Function 'CVID' on corresponding documents. Users should continue to use their agency-specific Federal Fund(s) while using the new Function code 'CVID'. For assistance in this matter, please contact your OSBD Analyst.
- The "Coronavirus Aid, Relief, and Economic Security Act" or the "CARES Act," was signed into law on March 27, 2020. In part, the CARES Act provides economic relief funding

for the Commonwealth. The Commonwealth must be able to report the CARES Act activity separate from other expenditures. A new Federal Fund '12CV' has been established to record expenses that specifically qualify for Federal reimbursement under the CARES Act. Participating agencies should create new Program Code(s) to account for the funds received under the CARES Act. Each new Program code should also include the Program Category code 'CARE'. Agencies should use the Fund '12CV' in conjunction with their new Program code when recording CARES Act expenditures.

Unreimbursed Expenses:

- For all COVID-19 related expenditures that are not expected to be federally reimbursed, agencies shall use the new expenditure object code E302. These expenditures are expected to be absorbed within existing state agency budgets. Agencies should not use Function CVID or Fund 12CV in conjunction with Object code E302.

If you have any questions, please contact the Customer Resource Center at Finance.CRCGroup@ky.gov.

To assist agencies in identifying their COVID-19 related expenditures, the Office of the Controller has created the following statewide report query's available in eMARS Reporting:

- COVID-19 Health Emergency Response contracts & activity: E302, CVID, 12CV
 - Provides financial information only if it has been coded to one of the established COVID-specific eMARS codes: Object E302, Function CVID, or Fund 12CV.
- COVID-19 Payroll by Department
 - Defaults to payroll documents when either Pay Unit, Unit or Activity Code equals 19CV
- COVID-19 Health Emergency Response Expenditures and Orders
 - An expansive query that captures contract and expenditure data for the established COVID-specific queries, and also attempts to capture other contracts and transactions that seem to indicate through alternate, unofficial COVID-specific eMARS codes that it is COVID-related. Helpful to agencies seeking contracts to modify and transactions to JV to the established eMARS codes.
- CARES Act of 2020 contract and activity report **[Coming soon]**
 - Provides financial information only if it has been coded to Program Category CARE.

EMARS TRAINING

The Customer Resource Center and Statewide Accounting Services continues to develop online training for new and existing users. We are very excited about this new training option that will be available FY2021. More information will be available soon.

FY 2020 CLOSING PACKAGE, SEFA AND CAFR

- The FY 2020 [Annual Financial Reporting \(AFR\) Forms](#) and [SEFA forms](#) and CAFR are now available online.
- The FY2020 SEFA, FY2020 AFR and FY2020 CAFR Training is now available online thru MyPurpose by searching "Kentucky Fiscal Year 2020 SEFA" or "Kentucky Fiscal Year 2020 CAFR" in the MyLearning Portal.

If you don't have access to the MyPurpose site, please send an e-mail to Finance.CRCGroup@ky.gov and instructions will be sent on how to access the course.

2020 FISCAL YEAR END

YEAR END PAYMENTS

Payments made **between July 1 and July 8** have the option to be paid from either 2020 *Old-Year* funds or 2021 *New-Year* funds. Users who intend for the payment document to post to *Fiscal Year 2020, Period 13* **must** enter the entire fiscal period on the payment document: *Budget FY (2020); Fiscal Year (2020); 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, 2021*) will infer upon final approval. In addition, payments created during June (*Period 12, 2020*) **must** be submitted and all approvals applied before **COB, June 30**. Otherwise, *Period 1, 2021* 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, 2020* will be inferred. If the final approval **is not** applied until July 1, then *Period 1, 2021* will be inferred.

The screenshot displays the 'Accounting' system interface. At the top, there is a status bar showing 'Accounting', 'Total Lines: 1', 'Accounting Line: 0', 'Total Line Amount:', and 'Line Closed Amount: \$0.00'. Below this is a table with columns for 'Accounting Line', 'Total Line Amount', 'Line Closed Amount', 'Outstanding Amount', and 'Interest Ineligible'. The first row shows '0' for the Accounting Line, '0.00' for the Total Line Amount, and 'No' for the Outstanding Amount. The 'Header' section is highlighted with a red box. It contains several tabs: 'General Information', 'Payee', 'Extended Description', 'Contact', and 'Document Information'. The 'General Information' tab is active, showing fields for 'Document Name', 'Record Date', 'Budget FY: 2020', 'Fiscal Year: 2020', 'Period: 13', 'Bank Account', and 'Accounting Profile'. A red 'Accounting' button is located on the right side of the form.

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=2020, FY=2020, Period=13)* **must** be entered on the document.

- *Fiscal Period 13 (BFY=2020, FY=2020, 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=2020, FY=2020, Period=13)* **must** be entered on the *Header* section of a **PRCI** document.
 - *Fiscal Period 13 (BFY=2020, FY=2020, Period=13)* **must** be entered on the *Header* section of a **PRCC** document.
- *Fiscal Period 13* payment documents **must** be submitted to final by **COB, Wednesday, July 8.**
- *Fiscal Period 13* payments against encumbering awards must be submitted to final by **COB, Friday, July 3.**

BUDGET FISCAL YEAR 2020 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) 2020* 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.), Friday, July 3.**
- All *BFY 2020* 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.), Wednesday, July 8.**

Any *BFY 2020* documents in *Pending* phase after the dates specified above **will** be rejected back to *Draft* phase by the Office of the Controller.

Note: To assist in identifying *Pending Documents*, agencies may reference the *FY 2020 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>

2020 ENCUMBRANCE/PRE-ENCUMBRANCE LAPSE

The encumbrance roll process to move encumbrances from *FY2020* to *FY2021* is scheduled to begin the evening of **Friday, July 3, 2020.** **Only encumbrances greater than \$1,000 will roll** to *FY2021*. 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 *FY2020* encumbrances prior to **COB, July 3, 2020.** The *2302 Outstanding Encumbrance* report within eMARS Reporting 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, Friday, July 3, 2020.** The *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 4:

- Payments against lapsed *PON2s*
 - *Copy Forward to PRC*
 - *Select "Memo" Reference Type*
 - *Change the Cited Authority on the PRC to **YEAR-END LAPSE***

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

COLLAPSE OBJECT TYPE – GENERAL FUND

The Office of the State Budget Director will provide guidance at a later date regarding the approval to collapse allotment control by object type of the General Fund accounts. Communication regarding the collapse, will be provided later but, more than likely due to the revenue shortfall from the Coronavirus pandemic the collapse of the Object Type will not occur.

FOLLOW THROUGH

Please be sure and review all payment request documents (i.e. GAX, GAX2, GAX3, PRC, PRCC, TP) to ensure the payments have been properly disbursed. Refer to the [AD/EFT Exception Report](#) for a list of payment request documents with rejected disbursements. Any payment request document on the report after soft close, **July 8, 2020**, will be closed by the Office of the Controller. **NOTE: The vendor will NOT receive payment.** CRC posts the AD/EFT Exception Report daily.

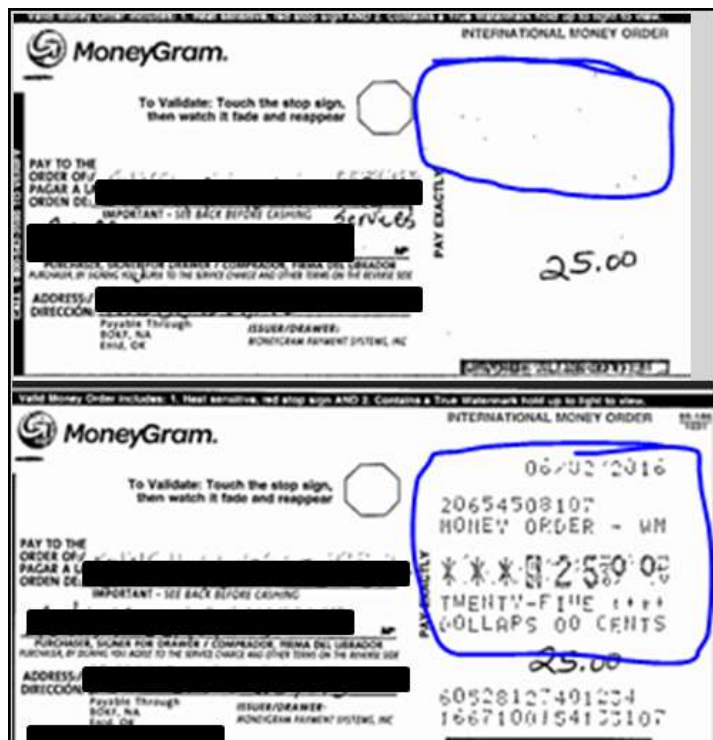
A MESSAGE FROM THE STATE TREASURER'S OFFICE

The State Treasurer's Office asks agencies with year-end deposits required to post by June 30 (primarily *Fund 0100 and Fund 1100*), to submit those as soon as possible and not wait until the last minute. Sending agency deposits to the Treasurer's Office prior to the June 30th deadline will help ensure they are processed in a timely manner. Deposits to Funds *other than 0100 and 1100* may continue using Period 13 (FY2020) until **Wednesday, July 8, 2020**.

Next, it is also very important that agencies with incoming electronic deposits (EFTs) prepare their CR documents as early as possible and send an email to TreasuryAccounting@ky.gov. The CR must be completed and posted in order for the agency to have access to the funds. Please be sure to include the following in the email:

- Anticipated Date
- Amount
- Name of Entity Initiating Payment
- Name of Agency Receiving Funds

Lastly, scanned images of money orders and cashier's checks are not legible. Therefore, please hand-write the amount on the order or check for reference. Please refer to the example.



IMPORTANT DATES

Please refer to the following information when processing documents nearing year end.

- Soft Close for Period 12 – **Tuesday, June 30, 2020**
- Hard Close for Period 12 – **Wednesday, July 8, 2020**
- Encumbrance Roll/Lapse – **Saturday, July 4, 2020**
- Soft Close for Period 13 – **Wednesday, July 8, 2020**
- Hard Close for Period 13 – **Thursday, July 16, 2020**

MOVING EXPENDITURES BETWEEN FISCAL YEARS

A JV2E document may be used to move non-personnel expenditures between *Budget Fiscal Years*. **Please be aware agencies are not permitted to JV personnel expenditures from FY2021 to FY2020.**

Accounting Line 1 shows a positive \$100.00 and the 2020 Fiscal Period (BFY=2020; FY=2020; Period=13).

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
1	\$100.00	\$0.00	\$100.00	
2	(\$100.00)	\$0.00	(\$100.00)	
From 1 to 2 Total: 2				

General Information Reference Fund Accounting Detail Accounting Service Dates Additional Amounts

Event Type: GA01

Accounting Template: FINCRC100

Line Description: Move from FY2021 to FY2020

Line Amount: \$100.00

Budget FY: 2020

Fiscal Year: 2020

Period: 13

Bank: [icon]

Vendor Invoice Number: [input]

Vendor Invoice Line: [input]

Example: \$100 expenditure (non-personnel) was paid from BFY 2021 (new-year) and should have been paid from BFY 2020 (old-year).

Accounting Line 2 shows a negative (\$100.00) and the 2021 Fiscal Period (BFY=2021; FY=2021; Period=1).

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
1	\$100.00	\$0.00	\$100.00	\$0
2	(\$100.00)	\$0.00	(\$100.00)	\$0
From 1 to 2 Total: 2				

General Information Reference Fund Accounting Detail Accounting Service Dates Additional Amounts

Event Type: GA01

Accounting Template: FINCRC100

Line Description: Move from FY2021 to FY2020

Line Amount: (\$100.00)

Budget FY: 2021

Fiscal Year: 2021

Period: 1

Bank: [icon]

Vendor Invoice Number: [input]

Vendor Invoice Line: [input]

FRIENDLY REMINDERS

Approvals

- Review documents before submitting
 - Rejections slow down process
- Assemble or re-assemble procurement documents prior to submitting
 - Please review assembled document carefully and correct any errors before submitting
- Include the Delivery Date for goods and services on requisitions
- Attach all required documentation

Delivery Orders

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

Allotments

- All Allotments must be in the black by the end of the Fiscal Year
- Agencies should utilize the budget tables/screens in eMARS during year-end as they provide a real-time view of balances including pending amounts

- BQ3LV1 (Appropriation)
- BQ3LV2 (Allotment)
- BQ3LV3 (Object Allotment)

Follow Payments Through

- Review AD/EFT Exception report daily to ensure payments have been disbursed
- FY2020 payments on the AD/EFT Exception report after PER 13 soft close (July 8) will be closed by the Office of the Controller
 - **Vendor will NOT receive payment**

JV2T's

- When ready for approval, submit JV2T into *Pending* status
 - Do Not leave in *Draft* status

Personnel Expenditures

- Personnel expenditures for the last payroll period **cannot** be JVED from FY2021 to FY2020

Cash Overrides

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

Cash Receipts

- Include direct contact information for CR on the transmittal form
- Ensure MICR line is legible and complete (no rips)
- Ensure adding machine tape total matches CR total
- Hand write amount on Money Orders as copies are not legible
- May include multiple checks per CR
 - Only one Deposit Type per CR (i.e. Cash, Check, Foreign Checks, EFT)

NEW YEAR – FISCAL YEAR 2021



ALLOTMENTS

Agencies should be preparing and submitting their 2021 fiscal year allotments in KBUD. The deadline for submitting FY2021 allotments is June 5, 2020. If you have not yet submitted these, please do so ASAP. A spreadsheet of FY2021 allotments loaded into eMARS can be found at:

<https://finance.ky.gov/services/statewideacct/Pages/yearendsupport.aspx>

TO ENCUMBER OR NOT TO ENCUMBER

Encumbrances are used to reserve budget for future spending. Agencies will be able to modify/establish contracts for the new-year using the Encumbering - PR05 Event Type as the agency’s allotments are loaded into eMARS. The Office of the Controller encourages agencies to examine the need to establish an encumbrance and do so only if needed for budgetary reasons.

Please use the following guidelines when establishing encumbrances:

- Ensure the encumbrance is fully liquidated with the final payment
- Never encumber more than one fiscal year at a time
- Use non-encumbering Event Type PR07 on DO/DO4

UPDATE SAS-14 – CASH OVERRIDE

All agency cash overrides **MUST** be submitted annually on a SAS-14 to the Office of the State Budget Director for review.

Recall that eMARS 3.11 brought several new agency chart of account fields that can be required per the Fund Department Requirements (FDREQ) table. The beginning of the fiscal year is a good time to set these requirements if the agency desires. A SAS-14 must be completed and submitted to the

Require Chart of Accounts Elements for Spending (S) or Revenue (R):											
S	R		S	R		S	R				
<input type="checkbox"/>	<input type="checkbox"/>	Require Function (Capital)	<input type="checkbox"/>	<input type="checkbox"/>	Require Appropriation Unit	<input type="checkbox"/>	<input type="checkbox"/>	Require Sub Location	<input type="checkbox"/>	<input type="checkbox"/>	Require Sub Task
<input type="checkbox"/>	<input type="checkbox"/>	Require Sub Function	<input type="checkbox"/>	<input type="checkbox"/>	Require Reporting	<input type="checkbox"/>	<input type="checkbox"/>	Require Dept Object	<input type="checkbox"/>	<input type="checkbox"/>	Require Task Order
<input type="checkbox"/>	<input type="checkbox"/>	Require Activity	<input type="checkbox"/>	<input type="checkbox"/>	Require Sub Reporting	<input type="checkbox"/>	<input type="checkbox"/>	Require Dept Revenue	<input type="checkbox"/>	<input type="checkbox"/>	Require Program
<input type="checkbox"/>	<input type="checkbox"/>	Require Sub Activity	<input type="checkbox"/>	<input type="checkbox"/>	Require Location	<input type="checkbox"/>	<input type="checkbox"/>	Require Task	<input type="checkbox"/>	<input type="checkbox"/>	Require Program Period

Office of Statewide Accounting Services to accomplish this.

Agencies are encouraged to get the paperwork submitted as soon as possible so that the requirements will be set and ready the first day of the fiscal year.

NEW YEAR CONTRACTS

When creating contracts for the new fiscal year, FY2021 prior to July 1, agencies should NOT encumber funds in FY2020. If the agency allotments have not been loaded, the non-accounting event type (PR07) must be used. Once the agency allotments have been loaded, the existing FY2021 contracts may be modified to change the event type to an encumbering event type (PR05 or PR06), if desired. Newly created FY2021 contracts may use the encumbering event types (PR05 or PR06). All FY2021 contracts created before July 1 must have the entire fiscal period (FY=2021, BFY=2021, **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. The Office of the Controller advises that agencies use encumbrances wisely and ensure they are managed properly if established.

DEFERRED PAYROLL

The May 16 – May 31 payroll (PP11), posted on June 10, 2020, 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, 2020 as FY2021 expenditures. The document ID will be identical to the June 10 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 FY2021 expenditures. **Users will NOT be able to JV any of these payroll expenditures from FY2021 to FY2020.** They must remain in FY2021.

KHRIS PON2'S

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 2021 is the 2nd year of the biennium. Therefore, the KHRIS position costing details may have to be updated to reflect new Commodity and/or Accounting Line numbers. 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>. Please submit these requests to Rebecca Billings, Personnel Cabinet, by June 30, 2020.

KHRIS FICO - PERSONAL SERVICE CONTRACTOR REQUEST


Requesting Agency Name:	Office of the Controller	
Agency Org #:	10102874	
Requestor:	Barbara Aldridge	
Contractor Name:	J Contractor	
PERNR:	00123456	
eMARS Document Department Code:	758	PA20 - 0105 Communication Screen
eMARS Document ID:	1900003376	PA20 - 0105 Communication Screen
eMARS Vendor Number:	KY0013281	P013D - 1018 Cost Distribution Screen
eMARS Vendor Line Number:	1	PA20 - 0105 Communication Screen
eMARS Commodity Line Number:	2	P013D - 1018 Cost Distribution Screen
eMARS Accounting Line Number:	1	P013D - 1018 Cost Distribution Screen
KHRIS Effective Date:	7/1/2019	

PAYMENTS AGAINST AWARDS

As we begin making payments in the new-year, users should pay close attention to how their payment documents are created. This will ensure the integrity of the contract and reduce the number of modifications. Please refer to the following when creating your referencing PRC documents:

- Ensure you select the correct Commodity line to reference
 - Refer to the Extended Descriptions for detail
- Do not manipulate the quantity to achieve the correct total due
 - Quantity should match the Vendor Invoice
 - Quantity should be a whole number in most cases

If you find that the information on your Vendor Invoice is not matching up to the award, please contact your agency’s procurement office or the Office of Procurement Services for assistance.

<p>Customer Resource Center 502-564-9641 877-973-4357 Finance.CRCGroup@ky.gov https://finance.ky.gov/services/statewideacct/Pages/default.aspx</p>	
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