

DATE: April 18, 2018

TO: Agency Addressed (No. 30, 2017-2018)

FROM: Paul Whitfield
Division of Accounting and Auditing
Department of Financial Services

SUBJECT: UNDISBURSED APPROPRIATIONS AT FISCAL YEAR ENDED JUNE 30, 2018

This memorandum provides information related to fiscal year 2017-18 (FY 2017-18) undisbursed appropriations for operations, identified as incurred obligations and certified fixed capital outlay undisbursed appropriations, pursuant to section 216.301, Florida Statutes (F.S.).

1. The Department of Financial Services (DFS) will automatically mark all accounts payable and encumbrance subsidiary records in the Florida Accounting Information Resource (FLAIR) that have an operating appropriation on the night of Friday, June 29, 2018, as incurred obligations (i.e., marked with a “C”) except for:
 - a. Accounts payable and encumbrance records with a local state fund (i.e., SF=8);
 - b. Memo accounts receivables and memo encumbrances, which do not include a vendor number; and
 - c. Accounts receivables.
2. Agencies may adjust the automatic marking of their subsidiary records using the REQ FOR CERT (CF) function in FLAIR by close of business Friday, June 29, 2018. FLAIR will default to the prior year selections. Additional guidance about the REQ FOR CERT (CF) function in FLAIR is available at <https://myfloridacfo.com/Division/AA/Training/YearEndMarkingofSubsidiaries.pdf>.
3. Agencies may request that DFS create a Fixed Capital Outlay (FCO) certifications forward file from their Project Information file records using the CF function. **This file will not be created if not requested.** Records will have to be built manually as part of the FCO certification process. FCO certification records from the prior year have been purged from the 1S-X file and are not available for update.
4. Agencies may manually mark or unmark items for incurred obligations starting Tuesday, July 3, 2018, through Thursday, July 19, 2018. The Prior Period Indicator field should be marked as applicable to update the prior year balance.
5. DFS will prepare and send a file to the MyFloridaMarketPlace (MFMP) system on Friday, June 29, 2018, to be used to mark incurred obligations in MFMP for all agencies that selected the automatic marking of subsidiary records.
6. Updates to the encumbrance, accounts payable and receivable subsidiary records will be limited after Thursday, July 19, 2018, to the following:

- a. Existing incurred obligations may be removed but no new records may be marked as incurred obligations;
 - b. The amount of an existing incurred obligation may be decreased but not increased.
7. All unencumbered payments related to incurred obligations, entered in FLAIR after Friday, July 27, 2018, must have the description field populated. The field should contain the original encumbrance number or payable number and, if applicable, the purchase order number from the original payment. The contract number field should also be updated if applicable.
 8. The Executive Office of the Governor (EOG), Office of Policy and Budget (OPB) will provide instructions related to FCO certification forward and FCO reversions. As in prior years, FCO accounts will not carry a CF indicator in FLAIR, but will utilize the year indicator to identify appropriations to a specific year.
 9. DFS will monitor payments with FY 2017-18 appropriations to validate compliance with the legislative intent for expending the undisbursed June 30 balances by Friday, September 28, 2018. DFS will require an agency to provide a justification for any payment with incurred obligation funds that appears to not have been obligated by Friday, June 29, 2018. The agency will be required to make the payment from a current year appropriation if it is determined that the use of incurred obligation funds was inappropriate.
 10. The amounts identified as incurred obligations must not exceed available appropriation balances. Agencies are encouraged to use the carry forward monitoring report available at <https://flair.dbf.state.fl.us/iwapps/iwhome.shtml> under the Monitoring Tab.
 11. **Agencies must contact the DFS Help Desk at (850) 413-3190 or help.desk@myfloridacfo.com on or before 2:00 P.M. Thursday, July 19, 2018, to request their incurred obligations/certified forward data be transferred to OPB.** The Help Desk will verify with the Bureau of Financial Reporting that amounts obligated or certified have not exceeded the available appropriation balances prior to making the transfer. Incurred obligations/certified forward data will be transferred to OPB by the DFS Help Desk for all agencies that do not have an exemption from OPB.
 12. Agencies have the option to use the certified forward period end (PE) function in FLAIR. However, this process should not be run until after confirmation is received from the DFS Help Desk that there are no negative appropriation balances, and confirmation that the DFS Help Desk has scheduled their incurred obligations/certified forward transfer process. Agencies must contact the DFS Help Desk no later than 2:00 P.M. on the day the PE function is to be run. The use of the PE function will trigger the generation of automated departmental general ledger transactions related to incurred obligations/certified forwards (i.e., automated transaction 07s to record general ledger codes 122XX, 131XX, 134XX, 911XX, and 931XX). Agencies that do not use the PE function will have to record the proper general ledger transactions manually in Departmental FLAIR.

13. In order for payments related to incurred obligations to be processed through FLAIR by Friday, September 28, 2018, pursuant to section 216.301(1)(b), F.S., MFMP disbursement transactions must be received in the Bureau of Auditing's queue by 5:00 P.M on Tuesday, September 18, 2018.
14. Agencies should make every effort to enter FLAIR vouchers related to incurred obligations into Departmental FLAIR by Wednesday, September 19, 2018, to allow sufficient time for receipt of these vouchers by the Bureau of Auditing and correction of any errors. Agencies must enter FLAIR vouchers into Departmental FLAIR by Thursday, September 27, 2018. Vouchers received by the Bureau of Auditing after 3:00 P.M. on Friday, September 28, 2018, or which contain unresolved errors, will not be processed. Any prior year appropriations not disbursed by Friday, September 28, 2018, will revert to the originating fund.
15. Refer to FLAIR Procedures Manual Chapter 700: Year end Processing located at: <https://myfloridacfo.com/Division/AA/Manuals/default.htm> for additional information regarding incurred obligations/certified forward processing.
16. The Division of Accounting and Auditing, Office of Florida Financial Education has provided Job Aids that can assist with year end processing. The complete list can be found at: <https://www.myfloridacfo.com/Division/AA/Training/JobAids-StateAgency.htm>