

DATE: May 10, 2007
TO: Agency Addressed (No. 12, 2006-07)
FROM: Douglas A. Darling, Director
Division of Accounting and Auditing
Department of Financial Services
SUBJECT: FISCAL YEAR CLOSEOUT

The following dates and times have been established for processing transactions affecting fiscal year 2006-07. All times are Eastern Daylight Savings Time.

MYFLORIDAMARKETPLACE (MFMP)

MFMP transactions must be received in the Bureau of Auditing's queue by 5:00 P.M. on June 22, 2007, in order to be processed as current year disbursements.

PAYROLLS

All payrolls and related transactions submitted in accordance with your Agency payroll calendar for June 2007 will be processed as fiscal year 2006-07 transactions.

All negative balances must be cleared by the close of business June 29, 2007. Agencies must input their data into Departmental FLAIR by the close of business on June 27, 2007 in order for the voucher to be posted on June 29, 2007. Agencies that have negative balances on June 29, 2007, and no vouchers pending, must provide the Bureau of State Payrolls with one account code so that these balances can be cleared. We will be unable to post to multiple accounts.

We strongly recommend that agencies closely monitor account balances in order to avoid delays in paying employees at the end of the fiscal year.

ON-DEMAND PAYROLLS

Any transactions entered and approved by 5:00 P.M. on June 28, 2007 will be processed as fiscal year 2006-07 disbursements.

CLASS C PAYROLLS

There will be no Class C Payroll in accordance with Section 112.061(15), Florida Statutes.

CASH DISBURSEMENTS

1. Vouchers presented to the Bureau of Auditing for payment by 5:00 P.M., June 29, 2007 will be processed as fiscal year 2006-07 disbursements.
2. Disbursement transactions below the voucher audit threshold must be input into Departmental FLAIR by 6:00 P.M., June 28, in order to be processed as fiscal year 2006-07 disbursements.
3. Vouchers input into Departmental FLAIR on or before June 28, but not delivered to the Bureau of Auditing by 5:00 P.M., June 29 will be deleted from the Department of Financial Services' pre-audit file. These vouchers will have to be corrected in FLAIR and resubmitted as fiscal year 2007-08 vouchers.
4. Departmental FLAIR will not process disbursement transactions entered on June 29. Departmental FLAIR will generate a Transaction 58 for all vouchers producing disbursements. Consequently, all disbursement transactions including purchasing card and invoice tracking entered into Departmental FLAIR on June 29 will return to approval level 008. FLAIR will purge the voucher print file on the night of June 29 to ensure that no vouchers will print on July 2, 2007.
5. Batch disbursement transactions processed through Departmental FLAIR must be presented to Production Control by 1:00 P.M. Thursday, June 28 in order for the resulting voucher schedules to be available for printing on the morning of June 29.
6. Expense tape batch input into the Central Accounting System must be delivered to Production Control by 1:00 P.M. June 29, 2007. The Bureau of Auditing must receive the supporting documentation by 5:00 P.M. on the same day.

CASH RECEIPTS

1. The Treasury will receive bank deposit slips that have been validated by 2:00 P.M. June 29 via facsimile or hand delivery until 5:00 P.M. June 29. These will be processed if the Treasury receives a confirmation and the deposit is entered into a "T" status in FLAIR prior to 5:00 P.M. June 29. At 5:00 P.M. June 29, unverified receipts on the Treasury's file will be rejected (placed in "R" status) and returned to the agencies by the Treasury. On the night of June 29, Departmental FLAIR will purge all outstanding cash receipts records from the cash receipts file. FLAIR will produce a report for each agency that had outstanding records purged. Agencies need to make correcting entries in Departmental FLAIR for all records purged from the cash receipts file.
2. Cash receipts may be input on June 29, transmitted to the Treasury, and verified on June 29. Supporting documentation that is validated by 2:00 P.M. June 29 must be delivered to the Treasury by 5:00 P.M. June 29 in order for the deposit to be posted to fiscal year 2006-07. The Treasury must be able to read the bank validation on the deposit slips.
3. Those agencies depositing through the Treasury's concentration system must deliver a bank validated deposit slip on deposits made before 2:00 P.M. June 29 to the Treasury by 5:00 P.M.

June 29. Except for wire transfers, the Treasury will not accept deposits made after 2:00 P.M. June 29 for fiscal year 2006-07.

4. Cash receipt transactions for current year refunds must be verified by the Treasury no later than 3:00 P.M. June 27. The resulting JT-2 will then be available for printing on June 28 and should be delivered to the Bureau of Auditing by 5:00 P.M. June 29. Expense refunds verified by the Treasury on June 29 will remain in the Refund account (001800).
5. Cash refunds in Clearing Accounts must be cleared to the Treasury by the close of business on June 27 in order to be transferred to the Treasury and verified on June 28. Expense refunds cleared from Clearing Accounts after this time will remain in the Refund account (001800).
6. Agencies should review all uncleared Clearing Fund deposits by requesting the Immediate Detail of Clearing Funds Deposits report through the CP function. A report of Clearing Funds not cleared is also available in the standard logon.
7. The Treasury's last day of processing debit memorandums for returned checks for agencies will be on June 25 for fiscal year 2006-07. The Treasury's last day of processing debit memorandums for returned EFT transactions will be on June 29 for fiscal year 2006-07.

WARRANT/EFT CANCELLATIONS

1. Warrants cancelled by the agencies using the on-line cancellation system must be added and approved by 5:00 P.M. June 29.
2. Warrants to be cancelled by the Reconciliation Section must be received and entered into the system by 5:00 P.M. June 29.
3. Note: cancellations for payroll warrants are performed by the agencies and must be entered and approved online by 5:00 P.M. June 29.
4. EFT's marked for deletion by 11:00 A.M. Wednesday, June 27 will be restored to agency accounts in June 2007.
5. Agencies should review their accounts to ensure the appropriate prior year cancellation revenue category code, 003700, has been established.

REFUND OF OVERPAYMENT OF SALARY

Any online refund of overpayment of salary approved by entering the deposit number online by 5:00 P.M. June 29 will be processed in fiscal year 2006-07. For more information, please access the Bureau of State Payrolls website at: http://www.fldfs.com/aadir/bosp/BOSP_MANUAL.pdf. Click on "Payroll Preparation Manual" and go to Volume V, Section 6.

SETTLEMENT VOUCHERS

Proposed or provisional settlement agreements must be received by the Bureau of Auditing, Room 448Q, Fletcher Building, or the Bureau of State Payrolls, Room 364, Fletcher Building, no later than 5:00 P.M. June 1. Previously approved, proposed or provisional settlement agreements, attached to payment vouchers received by the Bureau of Auditing by 5:00 P.M. June 29 will be processed as fiscal year 2006-07 disbursements.

Timely resolution of settlement agreements is encouraged and recommended; however, settlement agreements must be submitted with sufficient detail and in a form sufficient to enable a prompt pre-audit. Those settlement agreements with voluminous detail that may hinder timely processing of other settlement agreements should be considered for processing as Certified Forward items. All settlement agreement payment vouchers not meeting the requirements of the Reference Guide for State Expenditures, page S-1, or the Payroll Preparation Manual, Volume IV, Section 13, will be returned for rescheduling as charges against fiscal year 2007-08 appropriations or certifications forward. Any questions relating to this process and/or documentation requirements should be directed to the Bureau of Auditing or the Bureau of State Payrolls.

STATEWIDE FINANCIAL STATEMENTS

The 2006-07 fiscal year FLAIR closing schedule by agency for statewide financial statements can be found by accessing the Statewide Financial Reporting Section (SFRS) website at http://www.fldfs.com/aadir/statewide_financial_reporting/index.htm. Each agency is required to complete the Statewide Financial Statements Compliance Checklist and Attachment A as applicable. These items are also available on the SFRS website. Processes should be reviewed timely to ensure compliance with each item on the checklist. Each agency's Chief Fiscal Officer is required to certify representations made on the checklist. The checklist and Attachment A must be submitted to SFRS by August 31, 2007.

Agencies will receive the TBCK report containing a trial balance for each fund subsequent to closing. Other closing reports will be forwarded to the agencies only if exceptions are noted in SFRS' review process. Required adjustments should be submitted to the SFRS by August 27, 2007. Additional closing instructions and information requests will be sent to agency statewide financial statement contacts. Agencies should contact Paul Reynolds at (850) 413-5687, Suncom 293-5687 or Tim Hsieh at (850) 413-5746, Suncom 293-5746 for questions related to statewide financial statements.

OTHER ITEMS

1. Because of the heavy workload experienced at year-end, it is our intent to not accept manually prepared vouchers. Requests for exceptions should be directed to the appropriate Bureau Chief. Your cooperation in minimizing these exception requests will help us close out the fiscal year in a timely manner.
2. All negative balances should be cleared no later than June 18. The 5% Budget Amendments require a 3 day review, as specified in Section 216.292(2)(a)4, Florida Statutes. All 5%

Budget Amendments for fiscal year 2006-07 must be received by the Executive Office of the Governor no later than June 26, 2007. Any 5% Budget Amendments received after this date will not post to FLAIR for fiscal year 2006-07.

3. All functions of FLAIR will be operational for the entire day on June 29, except as noted in the above paragraphs. FLAIR will purge the voucher print file on the night of June 29 to ensure that no vouchers will print on July 2, 2007.
4. Statewide document numbers will be reset to begin with number x8000000001 on July 2, 2007, where x denotes the data base on which the number is used. The number in the first position is incremented each year to avoid duplication of statewide document numbers across fiscal years.
5. Departmental FLAIR will be available from 7:00 AM to 7:00 PM on Saturday, June 16 and Saturday, June 23, 2007.

CERTIFICATION FORWARD AT JUNE 30, 2007

No changes are known for the Certification Forwards process on June 30, 2007. Below is a summary of the Certification Forward information:

The Office of Policy and Budget will not be required to perform a detail review of the certification forward request for operation appropriations. Items marked with a 'C' in FLAIR will be automatically approved as long as they do not exceed available spending authority.

The following information is provided for the processing of carry forward transactions for operating appropriations and the certification forward of fixed capital outlay for the 2006-07 fiscal year.

1. The Department of Financial Services (DFS) will automatically mark all the accounts payable and encumbrance subsidiary records in FLAIR with a "C" that have an operating appropriation on the night of Friday, June 29, 2007.
 - a. Accounts payable and encumbrance records with a local state fund (SF = 8) should not be included in the carry forward process for operating appropriations or certification forward process for fixed capital outlay appropriations and, therefore, will *not* be marked automatically.
 - b. Memo Receivables and Memo Encumbrances do not include a vendor number and should not be included in the carry forward process for operating appropriations. These records will *not* be marked automatically.
 - c. Receivables will *not* be marked automatically. Agencies will have to manually mark receivable records for carry forward.

2. Agencies can request an exemption from the automatic marking of subsidiary files in writing by Friday, June 8, 2007. Letters should identify which subsidiaries should **not** be marked. Mail requests to:

Mr. Herb Fillyaw
Department of Financial Services
Division of Information Systems
200 E. Gaines Street
Tallahassee, Florida 32399-4237

Agencies can include a request for FLAIR to create a Fixed Capital Outlay (FCO) Certifications Forward file from their Project Information file records. Otherwise, these records will have to be built manually as part of the FCO Certification process. FCO Certification records from last year have been purged from the 1S-X file and are not available for update.

3. Agencies will have the ability to manually mark or unmark items for carry forward starting July 1, 2007 through 6:00 P.M. on July 27, 2007. The records can be updated as follows:
 - a. A “C” can be entered in the CF Field on the 60, 80, or 90 transaction so that record is marked for carry forward. A “Y” should be marked in the Prior Period Indicator (PPI) field so that the June 30, 2007 balance is also updated.
 - b. A “C” can be added or removed from the CF Field on subsidiary records using the encumbrance, payable, or receivable subsidiary inquiry/update screens (6s, 8s, and 9s). A “Y” should be marked in the PPI field so that the June 30, 2007 balance is also updated.
 - c. A “C” can be added or removed from the CF Field on an encumbrance, accounts payable or receivable record on the 1S-X screen. The date received field should be updated for any accounts payable record that has a “C.” The system will prevent an update to any subsidiary record on the 1S-X screen that has had a payment/receipt processed against it.
 - d. The “C” can be added or removed from payment/receipt transactions (70, 53, 33, and 51).
4. Updates to the encumbrance, payable, and receivable subsidiary records will be limited after July 27, 2007:
 - a. A “C” can be removed from an existing record but **can not** be placed on a new or existing record.
 - b. The amount can be decreased but not increased on an existing record with a “C”.
5. Payment and receipt transactions from the subsidiary records (70, 53, and 33) will be allowed to process with a “C” from July 1, 2007 until September 28, 2007.

6. An unencumbered payment (TR51) with a “C” should be used only for the correction of a TR 70 or 53 after July 27, 2007. The system will require the User to input information into the description field for any TR51 processed with a “C” from July 27 to September 28, 2007. Agencies must indicate the encumbrance number or payable number and, if applicable, the purchase or direct order number that is associated with the TR51 in the description field. The contract number field should also be updated if applicable.
7. Transaction 58 recorded with a “C” will be allowed throughout the fiscal year.
8. DFS will monitor updates to the carry forward field starting July 1 and ending September 28 to ensure compliance with the legislative intent of the certification forward process. DFS will require an Agency to provide a justification for any payment with carry forward funds that appears to have not been obligated by June 30, 2007. The Agency will be required to move the payment to a current year appropriation if it is determined that the use of carry forward funds was inappropriate on a payment. If an Agency fails to move the payment in a timely manner, DFS will move the payment on behalf of the Agency.
9. Fixed Capital Outlay will be certified forward through the FLAIR Certified Forward system as it was done last year. Office of Policy and Budget (OPB) will provide instructions in this area. In keeping with the policy of prior years, FCO accounts will not carry a certified forward indicator, but will utilize the year indicator to identify appropriations to a specific year.
10. DFS will prepare and send a file to the MyFloridaMarketPlace (MFMP) system on Friday, June 29, 2007 to be used to mark certified forwards in MFMP for all agencies (unless exempted from the automatic marking of subsidiary records).
11. The remaining balance of carry forward appropriations for operating will revert on Friday, September 28. FLAIR will not allow the processing of a payment or receipt with a “C” after this date.
12. OPB will provide instructions for FCO reversions that are to occur in February as they have done in previous years.
13. Agencies will have the option as in previous years to use the period end (PE) function in FLAIR. Only subsidiary records with positive balances will be processed and reflected on the certified forward reports. If you close the year without first completing the PE function, the transaction 07s to record GLs 122xx, 131xx, 134xx, 911xx, and 931xx will not be recorded.

Agencies must call the Help Desk by 2:00 P.M. on the day the PE function is to be run so that DFS can prepare for the transfer of the certification forward file to OPB. OPB will use the file to align the LAS/PBS ledger with FLAIR for the appropriation amounts that have been carried / certified forward. The Agency will be responsible for transferring the certification forward information to OPB if the Agency does not use the PE function in FLAIR.

SUMMARY

Each agency can assist with closing fiscal year 2006-07 in the following manner:

1. Make every effort to submit all your vouchers to the Bureau of Auditing by Friday, June 15.
2. Carefully check cash and appropriation balances in all accounts to ensure that sufficient amounts are available. This will eliminate delays or rejections of payments due to funds shortages.
3. Agencies using selected operating accounts for consolidating salary payments must adjust these accounts to reflect the correct salary disbursements before the close of the fiscal year. Transfers of salary charges must be made to the applicable accounts to eliminate year-to-date negative disbursement balances.
4. Carefully review year-to-date balances in all accounts to ensure appropriations are not over-expended and atypical balances do not exist. Generally, accounts must not be closed out showing atypical year-to-date balances. All 5% Budget Amendments for fiscal year 2006-07 must be received by the Executive Office of the Governor no later than June 26, 2007. Any 5% Budget Amendments received after this date will not post to FLAIR for fiscal year 2006-07.
5. For additional information, please contact the following:

Bureau of Accounting	(850) 413-5511, SC 293-5511
Bureau of Auditing	(850) 413-5512, SC 293-5512
Bureau of State Payrolls	(850) 413-5513, SC 293-5513