DATE: May 3, 2023

TO: Agency Addressed (No. 18, 2022-2023)

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

SUBJECT: UNDISBURSED APPROPRIATIONS AT FISCAL YEAR-END, JUNE 30, 2023

This memorandum provides information related to fiscal year (FY) 2022-23 undisbursed appropriations for operations, identified as incurred obligations and certified Fixed Capital Outlay (FCO) undisbursed appropriations, pursuant to section (s.) 216.301, Florida Statutes (F.S.).

1.   Agencies may adjust the automatic marking of their subsidiary records using the REQ FOR CERT (CF) function in the Florida Accounting Information Resource (FLAIR) by close of business **Friday, June 30, 2023**. FLAIR will default to prior year selections. Additional guidance about the REQ FOR CERT (CF) function in FLAIR is available at: https://myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/training/yearendmarkingofsubsidiaries.pdf?sfvrsn=44a04581_2

2.   The Department of Financial Services (DFS) will automatically mark all accounts payable and encumbrance subsidiary records in FLAIR that have an operating appropriation on the **night** of **Friday, June 30, 2023**, 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.

3.   Agencies may request that DFS create a FCO certification forward file from their Project Information file records using the CF function. This file will not be created unless requested by Friday, June 30, 2023. **Agencies must complete the process by adding information to applicable records by Thursday, July 13, 2023**. 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.   The Executive Office of the Governor (EOG), Office of Policy and Budget (OPB) will provide instructions related to Fixed Capital Outlay (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.

5.   Agencies may manually mark or unmark items for incurred obligations starting on **Monday, July 3, 2023**, through **Monday, July 17, 2023**. The Prior Period Indicator (PPI) field should be marked as applicable to update the prior year balance.

6. DFS will prepare and send a file to the MyFloridaMarketPlace (MFMP) system on **Friday, June 30, 2023**, to be used to mark incurred obligations in MFMP for all agencies that selected the automatic marking of subsidiary records.

7. Updates to the encumbrance, accounts payable and receivable subsidiary records will be limited after **Monday, July 17, 2023**, 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 <u>not increased</u>.

8. All unencumbered payments related to incurred obligations, entered in FLAIR after **Friday, July 21, 2023**, must have the description field populated. The field should contain the original encumbrance number or payable number and, if applicable, the purchase or direct order number from the original payment. The contract number field should also be updated if applicable.

9. DFS will monitor payments with FY 2022-23 appropriations to validate compliance with the legislative intent for expending the undisbursed **June 30** balances by **Friday, September 29, 2023**. 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 30, 2023**. 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://fs.fldfs.com/iwpapps/iwhome.shtml under the Monitoring Tab. **Information Warehouse access** is required to view this report.

11. **Agencies must contact the DFS Help Desk at (850) 413-3190 or help.desk@myfloridacfo.com on or before 2:00 p.m. on Monday, July 17, 2023, 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 <u>have not exceeded the available appropriation balances</u> 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 <u>no negative appropriation balances</u>, and <u>confirmation that the DFS Help Desk has scheduled their incurred obligations/certified forward transfer process.</u> Agencies must contact the DFS Help Desk <u>no later than</u> **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 budgetary 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).

If the Certified Forward closing is run prematurely, it may not be accurate.

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 **Wednesday, September 27, 2023**, pursuant to s. 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 12, 2023**.

14. The deadline for processing certified forward travel in the Statewide Travel Management System (STMS) will be **Tuesday, July 11, 2023**.

15. Agencies are encouraged to make every effort to enter FLAIR vouchers related to incurred obligations into Departmental FLAIR by **Thursday, September 14, 2023**, to allow sufficient time for receipt of these vouchers by the Bureau of Auditing and correction of any errors. Agencies <u>must</u> enter FLAIR vouchers into Departmental FLAIR by **Tuesday, September 26, 2023**. Vouchers received by the Bureau of Auditing after **2:00 p.m.** on **Wednesday, September 27, 2023**, or which contain unresolved errors, will not be processed. Any prior year appropriations not disbursed by **Wednesday, September 27, 2023**, will revert to the originating fund as no payments will be made from certified funds after **Thursday, September 28, 2023.**

16. Refer to FLAIR Procedures Manual Chapter 700: Year End Processing located at **https://www.myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/state-agencies/flair/manuals/700yearend.pdf?sfvrsn=3e7a9223_8** for additional information regarding incurred obligations/certified forward processing.

17. 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://myfloridacfo.com/division/aa/training/state-agency-job-aids A short list is provided of applicable Job Aids:
    - Carry Forward Reminders & Tips
    - New Account Code Function
    - Report Distribution System (RDS) Find & Search Commands
    - RDS Viewing & Printing Tips
    - Report Distribution System (RDS) Access
    - WebFOCUS Reporting Environment Managed Reporting Enterprise (MRE) Repository Access (MRE Access)
    - Year-End Calendar
    - Year-End Marking of Subsidiaries
    - Year-End Receipts Processing