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DEPARTMENT OF ADMINISTRATION
Division of Accounts and Reports

INFORMATIONAL CIRCULAR NO. 97-A-007

DATE: May 9, 1997

SUBJECT: Closing of FiscalYear 1997 and Opening of Fiscal Year 1998

EFFECTIVE DATE: Immediately

A & R CONTACT: Accounting Services, (913) 296-3521

APPROVAL:

SUMMARY: Schedule of Accounting Events Relative to Fiscal Year Closing

Another fiscal year closing is upon us and again we are asking for your cooperation during this time to help ensure a successful and timely closing of FY 97 and opening of FY 98. The State of Kansas fiscal year, as established by K.S.A. 75-3002, commences on the first day of July in each year and closes on the thirtieth day of June of the succeeding year. However, to allow state agencies time to process as much old year business as possible, the old year records remain open through the second Monday of July (PPM No. 14,002). During this period the Statewide Accounting and Reporting System (STARS) processes old and new fiscal year business concurrently.

During this concurrent processing period, FY 97 documents receive a higher processing priority than do FY 98 documents. This, and the large volume of last minute old year business received for processing, can cause delays in the processing of FY 98 business. There is a period (usually three or four days) after the third Monday in July in which *no* daily transactions are processed. During this period, total effort is directed to processing transactions necessary to complete the transition from FY 97 to FY 98. These delays are an inherent part of the fiscal year closing process.

Your understanding of the unique circumstances encountered during the fiscal year transition period will help to reduce the number of delays experienced during fiscal year closing. Obviously, the workload both at your agency and the Division of Accounts and Reports is greatly increased during this period; therefore, following certain guidelines will result in a smoother flow of transactions.

FY 97 business should be processed in a timely manner at both the agency level and the central level. This will relieve some delays caused by the last minute avalanche of vouchers received by the of Accounts and Reports. Some degree of relief can also be realized by state agencies reviewing the May monthly reports and submitting necessary requests for corrections *before June 30***.** This will significantly reduce the volume of last minute journal entries.

All transactions submitted during the concurrent processing period should be carefully reviewed for accurate and complete coding, authorized signature, sufficient unencumbered balances, and any potential errors that may require additional processing time. While this procedure should be followed throughout the fiscal year, it is especially critical during the year-end transition period. Keeping the exceptions to a minimum during this period will result in more efficient and timely processing of transactions.

During the concurrent processing period, special attention should be given by agencies to the unencumbered balances of those funds whose budget units are classified as "expenditure only". To make "carry forward" balances available as of July 1 for use by state agencies, STARS has been programmed to allow new year transactions charged to "expenditure only" accounts to edit against fund-level (both FY 97 and FY 98) receipts. However, during this period, FY 97 transactions only edit against FY 97 receipts.

During the concurrent period, those state agencies having accounts structured as "receipt and expenditure" must ensure that FY 98 receipts are available to cover FY 98 expenditures from budget units classified as both receipt and expenditure. The available cash in prior fiscal year receipt and expenditure budget units will *not* be available to fund FY 98 expenditures until FY 97 is closed and balances carried forward.

During the concurrent transition period, personnel at all levels are subjected to increased workloads and pressures. Errors will be resolved in the most efficient and timely manner possible. Emergency situations will be reviewed and acted upon as soon as possible. Transactions categorized as emergency payments should be batched separately and sent to the attention of Roger Rooker, Accounting Services Section, Division of Accounts and Reports, 900 S.W. Jackson Street, Room 351-S, Topeka, Kansas.

Every effort must be made to ensure that payment of legal obligations to vendors are not delayed. With your support and assistance, we look forward to a timely year-end transition.

A schedule of events concerning the closing of Fiscal Year 1997 and the opening of Fiscal Year 1998 has been prepared to identify certain functions and events of mutual interest to state agencies and the Division of Accounts and Reports. These items and dates are as follows:

DATE	**ITEM**
April 14	Letter Advising Agencies to Prepare Real Estate Encumbrance Renewals (Affected Agencies Only)

May 19	Letter Requesting Agencies to Review Outstanding Encumbrances
May 19	Letter to Agencies Transmitting List of Outstanding Obligations (DA-118) Instructions
June 1	Annual Review of Housing, Food Service and Other Employee Maintenance Rates (DA-171)
June 18	Fiscal Year 1998 Valid Funds Tape and Valid PCA Tape Sent to State Treasurer
June 18	Preliminary Fiscal Year 1998 Central Chart of Accounts Mailed to State Agencies
June 18	Informational Circular to All State Agencies Regarding Fiscal Year Rate Changes in Payroll Deductions and Contributions
June 23	Review Any Outstanding Checks and Process Paycheck Reversals Prior to June 25, 1997 Which is the Last Off -Cycle Payroll Charged To Fiscal Year 1997. Any Checks Issued in This Cycle Will Be Dated June 30, 1997 and Charged to Fiscal Year 1997
June 30	Updates to Payroll Funding Group Definitions for Fiscal Year 1998 Must be Entered into SHARP by 5:00 P.M. in Order to be Reflected in the Charges for Any Paychecks Resulting from the KA3 Off-Cycle for the Period Ending June 14, 1997 (First Off-Cycle Payroll Charged to Fiscal Year 1998)
June 30	Regents Establish Payroll Clearing Fund Indexes in STARS for Fiscal Year 1998
July 1	Fiscal Year 1998 Transactions Accepted for Processing: Also Commencement of Concurrent Processing Period for Final Fiscal Year 1997 Transactions
July 3	Updates to Payroll Funding Group Definitions for Fiscal Year 1998 Must be Entered into SHARP by 5:00 P.M. in Order to be Reflected in the Charges for the On-Cycle Paychecks Dated July 11, 1997 (First On-Cycle Paychecks Charged to Fiscal Year 1998)
July 7	Regents DA-35 Files Must be Received by 5:00 P.M.
July 14	State Treasurer Accepts Final Fiscal Year 1997 Receipts Vouchers from State Agencies up to 3:00 P.M.
July 14	Accounting Services Accepts Final Expenditure and Encumbrance Batches from State Agencies for Fiscal Year 1997 Until 5:00 P.M.
July 14	Agencies Entering STARS Payment Vouchers On-Line Must Have Final Documents for Fiscal Year 1997 Entered by 5:00 P.M.

July 15	Agencies Entering Payment Vouchers On-Line in STARS With a June Effective Date Must Have Paper Documents into the Accounting Services Section by 12:00 Noon or Transactions Will Be Deleted from the System
July 16	Agencies May Enter DA-118's On-Line Until 5:00 P.M.
July 17	Agencies Entering DA-118's On-Line Must Have Paper Documents delivered to the Accounting Services Section By 12:00 Noon or Transactions Will be Deleted from the System
July 22	Final Processing of June 1997 Transactions Expected; End of Concurrent Processing
July 23	Commencement of Processing for Monthly and Annual Reports and Statements: Also, Processing of Closing and Opening Entries and Preparation of Opening and Closing Transaction Statements
July 28	June 1997 Monthly STARS Statements Expected to be Mailed to Agencies
July 28	Resume Processing of July 1997 (Fiscal Year 1998) Transactions
July 30	Fiscal Year 1997 Closing Statements and Fiscal Year 1998 Opening Statements Expected to be Mailed to Agencies
August 5	DA-404, DA-406 and DA-410 Budget Worksheets Expected to be Distributed

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