INFORMATIONAL CIRCULAR NO. 00-A-018 (Supersedes Informational Circular 99-A-014)

DATE:	April 12, 2000
SUBJECT:	Closing of Fiscal Year 2000 and Opening of Fiscal Year 2001
EFFECTIVE DATE:	Immediately
A & R CONTACT:	Annette Witt (785) 296-8083 annette.witt@da.state.ks.us
APPROVAL:	Approved by Dale Brunton
SUMMARY:	Schedule of Accounting Events Relative to Fiscal Year Closing

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It is time to close another fiscal year and we are asking for your cooperation to help ensure a successful and timely closing of FY 2000 and opening of FY 2001. Information concerning fiscal year end closing and DA-118 List of Outstanding Obligations instructions are contained in the Division of Accounts and Reports Policy and Procedure Manual filing nos. 14,002 and 14,003, respectively, which are in the General Accounting Services section of the Division of Accounts and Reports web site at http://www.da.ks.gov/ar/ppm/ppm01001.htm. Other web resources available for fiscal year end processing information can be found at http://www.da.ks.gov/ar/yearend/.

K.S.A. 75-3002 establishes the state's fiscal year as commencing on the first day of July in each year and closing 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). For the fiscal year 2000 closing, that date has been extended to Wednesday, July 12, 2000. During this period the Statewide Accounting and Reporting System (STARS) processes old and new fiscal year business concurrently.

During the concurrent processing period, FY 2000 documents receive a higher processing priority than do FY 2001 documents. This, and the large volume of last minute old year business received for processing, may cause delays in the processing of FY 2001 business. There is a period (usually two or three 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 2000 to FY 2001. 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 2000 business should be processed in a timely manner both at the agency level and at the central level. This will relieve some delays caused by the multitude of last minute vouchers received by the Division 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. Transaction year 2000 and 2001 documents should be batched separately. During concurrent processing STARS batch sheets for

FY 2000 transaction year should have a batch date of 06-30-00, an effective date of 06-30-00, and BFY of 2000. 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 2000 and FY 2001) receipts. However, during this period, FY 2000 transactions only edit against FY 2000 receipts.

During the concurrent period, those state agencies having accounts structured as "receipt and expenditure" must ensure that FY 2001 receipts are available to cover FY 2001 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 2001 expenditures until FY 2000 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 Jerry Serk, Central 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 payments of legal obligations to vendors are not delayed. With your proactive support and assistance, we look forward to a timely year-end transition.

A schedule of events concerning the closing of Fiscal Year 2000 and the opening of Fiscal Year 2001 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 17	Letter advising agencies to prepare real estate encumbrance renewals (affected agencies only)
May 19	Year-end closing information at ASTRA meeting
May 22	Letter requesting agencies to review outstanding encumbrances
June 1	Annual review of housing, food service and other employee maintenance rates (DA-171)
June 16	Fiscal year 2001 valid funds tape and valid PCA tape sent to State Treasurer
June 19	Preliminary fiscal year 2001 Central Chart of Accounts mailed to agencies
June 19	Informational circular to all agencies regarding fiscal year rate changes in payroll deductions and contributions
June 19	Insert new row in the department budget tables effective-dated June 11, 2000, which reflect a budget end date of June 10, 2001, and a fiscal year of 2001
June 19	Process encumbrance for Friday, June 23, 2000, on-cycle pay date
June 23	Review any outstanding checks and process paycheck reversals prior to June 26, 2000, which is the last off-cycle payroll charged to fiscal year 2000. Any checks issued in this cycle will be dated June 29, 2000, and charged to fiscal year 2000
June 23	Liquidate encumbrances for the on-cycle for the paycheck date of June 23rd
June 26	Last off-cycle to be run for fiscal year 2000 transactions and will have a paycheck date of June 29, 2000

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June 27	Process STARS transactions resulting from "true" EFT reversals and cancelled checks from the June 26th off-cycle and encumbrances for the June 26th off-cycle
June 29	Liquidate encumbrances fro the Monday, June 26th, off-cycle
June 30	Regents establish payroll clearing fund indexes in STARS for fiscal year 2001
June 30	Updates to payroll position pool definitions for fiscal year 2001 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 7, 2000 (first on-cycle paychecks charged to fiscal year 2001)
July 3	Fiscal year 2001 transactions accepted for processing; commencement of concurrent processing period for final fiscal year 2000 transactions; fiscal year 2001 appropriation transactions loaded in STARS nightly cycle
July 3	Process encumbrances for the Friday, July 7th, on-cycle paycheck date
July 5	Process STARS transactions resulting from "true" EFT reversals and cancelled checks from the July 3rd off-cycle and encumbrances for the July 3rd off-cycle
July 6	Process STARS transactions resulting from "true" EFT reversals and cancelled checks from the July 5th off-cycle and encumbrances for the July 5th off-cycle
July 7	Liquidate encumbrances for the July 7th paycheck date for the July 3rd off-cycle
July 12	State Treasurer accepts final fiscal year 2000 receipt vouchers from agencies up to 3:00 p.m.
July 12	Central Accounting Services Section accepts final expenditure and encumbrance batches from agencies for fiscal year 2000 until 5:00 p.m.
July 12	Agencies entering STARS payment vouchers on-line must have final documents for fiscal year 2000 entered by 5:00 p.m.
July 12	All SOKI3 interfund vouchers for fiscal year 2000 must be entered and released by both the expending and receipting agencies by 5:00 p.m.
July 13	Agencies entering payment vouchers on-line in STARS with a June effective date must have paper documents into the Central Accounting Services Section by 12:00 noon to avoid transactions being deleted from the system

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July 13	SOKI3 closed to agency users
July 13	Final fiscal year 2000 SOKI3 upload to STARS
July 14	SOKI3+ open for fiscal year 2001 transactions; all receipts with old year BFY must be changed to the new BFY by the receipting agency
July 17	Agencies may enter DA-118s on-line until 5:00 p.m.
July 18	Agencies entering DA-118s on-line must have paper documents delivered to the Central Accounting Services Section by 12:00 noon to avoid transactions being deleted from the system
July 19	Final processing of June 2000 transactions expected; end of concurrent processing (STARS will be open to Division of Accounts and Reports staff only)
July 20	Commencement of processing for monthly and annual reports and statements; also, processing of closing and opening entries and preparation of opening and closing transaction reports
July 24	June 2000 monthly STARS reports expected to be mailed to agencies
July 24	Resume processing of July 2000 (fiscal year 2001) transactions
July 28	Fiscal year 2000 closing reports and fiscal year 2001 opening reports expected to be mailed to agencies
August 4	DA-404, DA-406 and DA-410 budget worksheets expected to be distributed