INFORMATIONAL CIRCULAR NO. 98-A-015

DATE:	April 20, 1998
SUBJECT:	Closing of Fiscal Year 1998
EFFECTIVE DATE:	April 10, 1998
CONTACT:	Central Accounting Services Section (785) 296-2660
APPROVAL:	
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 98 and opening of FY 99. Information concerning closing is contained in the Division of Accounts and Reports Policy and Procedure Manual filing no. 14,002 which is also in the General Accounting Services section of the Division of Accounts and Reports web site at: http://www.ink.org/public/da/ar/genacct/ppm/PPM_OVER.html.

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). During this period the Statewide Accounting and Reporting System (STARS) processes old and new fiscal year business concurrently.

During this concurrent processing period, FY 98 documents receive a higher processing priority than do FY 99 documents. This, and the large volume of last minute old year business received for processing, can cause delays in the processing of FY 99 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 98 to FY 99. 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 98 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 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 98 and 99 documents should be batched separately. During concurrent processing STARS batch sheets for 98 transaction year should have a batch date of 06-30-98, an effective date of 06-30-98, and BFY of 98. 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 98 and FY 99) receipts. However, during this period, FY 98 transactions only edit against FY 98 receipts.

During the concurrent period, those state agencies having accounts structured as "receipt and expenditure" must ensure that FY 99 receipts are available to cover FY 99 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 99 expenditures until FY 98 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 payment 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 1998 and the opening of Fiscal Year 1999 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 4	Letter Requesting Agencies to Review Outstanding Encumbrances
May 18	Letter to Agencies Transmitting List of Outstanding Obligations (DA-118) Instructions
May 21	Year-End Closing Information at ASTRA meeting
June 1	Annual Review of Housing, Food Service and Other Employee Maintenance Rates (DA-171)
June 17	Fiscal Year 1999 Valid Funds Tape and Valid PCA Tape Sent to State Treasurer
June 18	Preliminary Fiscal Year 1999 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 22	Review Any Outstanding Checks and Process Paycheck Reversals Prior to June 24, 1998 Which is the Last Off -Cycle Payroll Charged To Fiscal Year 1998. Any Checks Issued in This Cycle Will Be Dated June 29, 1998 and Charged to Fiscal Year 1998

DATE	ITEM
June 29	Updates to Payroll Funding Group Definitions for Fiscal Year 1999 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 13, 1998 (First Off- Cycle Payroll Charged to Fiscal Year 1999)
June 30	Regents Establish Payroll Clearing Fund Indexes in STARS for Fiscal Year 1999
July 1	Fiscal Year 1999 Transactions Accepted for Processing: Also Commencement of Concurrent Processing Period for Final Fiscal Year 1998 Transactions
July 2	Updates to Payroll Funding Group Definitions for Fiscal Year 1999 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 10, 1998 (First On-Cycle Paychecks Charged to Fiscal Year 1999)
July 6	DA-35 Electronic Files (Prior Period Funding Payroll Adjustments) Must be Received by 5:00 P.M.
July 13	State Treasurer Accepts Final Fiscal Year 1998 Receipts Vouchers from State Agencies up to 3:00 P.M.
July 13	Central Accounting Services Section Accepts Final Expenditure and Encumbrance Batches from State Agencies for Fiscal Year 1998 Until 5:00 P.M.

DATE	ITEM
July 13	Agencies Entering STARS Payment Vouchers On-Line Must Have Final Documents for Fiscal Year 1998 Entered by 5:00 P.M.
July 14	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
July 15	Agencies May Enter DA-118's On-Line Until 5:00 P.M.
July 16	Agencies Entering DA-118's On-Line Must Have Paper Documents delivered to the Accounting Services Section By 12:00 Noon to Avoid Transactions Being Deleted from the System
July 21	Final Processing of June 1998 Transactions Expected; End of Concurrent Processing
July 22	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 27	June 1998 Monthly STARS Statements Expected to be Mailed to Agencies
July 27	Resume Processing of July 1998 (Fiscal Year 1999) Transactions

DATE	ITEM
July 29	Fiscal Year 1998 Closing Statements and Fiscal Year 1999 Opening Statements Expected to be Mailed to Agencies
August 5	DA-404, DA-406 and DA-410 Budget Worksheets Expected to be Distributed

Oh No, Not Year-end Again!



Are you dreading the approaching end of fiscal year 1998? You are probably not alone.

The successful closing of a fiscal year and the opening of the subsequent fiscal year requires cooperation between agencies and central services personnel. This year, as a supplement to the enclosed year-end schedule informational circular, the Agency STARS Rapport Association (ASTRA) has invited Department of Administration and other central service providers to speak on the subject of year-end policies, procedures and schedules at their May 21, 1998 meeting. This unique opportunity will let you, our customer, hear first-hand how the various individual processes fit together to form the overall year-end closing process. There will be a high-level presentation, followed by focus groups on selected processes. A detailed agenda will be issued by ASTRA at the end of April, or early in May. Contact your agency ASTRA representative for additional information, or call Fran Wilbrant (KSU) at 785-532-4341, Susan Duffy (Historical Society) at 785-272-8681 extension 204, or Ruth Scott (Corporation Commission) 785-271-3274 for registration information.



In view of the increased workloads, shortened time frames, and other complex issues associated with the year-end process, it is doubtful that any of us will ever place it on our top ten list of "Things I Most Enjoy about Summer." However, by working together and sharing knowledge and experience, we might be able to remove it from our list of "Things I Least Enjoy about Summer."

Be sure to read the Informational Circular thoroughly and bring it, along with questions, comments or suggestions to the ASTRA meeting on May 21st!