

Memo 07-6  
May 2, 2007

**TO:** President, Provost, Vice Presidents, Vice Provosts,  
Deans, Directors, and Department Heads

**FROM:** Keith L. Ratzloff, Assistant Vice President/Controller

**CONTACT:** Accounting Procedures - Sabrina Ritter, Extension 6202  
Purchasing Procedures - Carla Bishop, Extension 6214  
Payroll Procedures - Julie Henton, Extension 6277  
Cash Receipts Procedures - Adriane Austin, Extension 6204

**SUBJECT: Fiscal Year 2007 Closing**

#### **IMPORTANT FISCAL YEAR INFORMATION**

Please route this memo to the individuals responsible for the following functions in your department: Accounting, Purchasing, Travel, Payroll, Budget, and the recording and depositing of cash receipts.

**Departmental Training for Year-End Processing** will be conducted in Salina on May 7, 2007 from 10:00 a.m. to 11:00 a.m. Training will be held on the Manhattan Campus May 8, 2007 from 9:00 a.m. to 11:00 a.m. and May 9, 2007 from 2:00 p.m. to 4:00 p.m. in the Big 12 Room of the KSU Student Union. The training, which will be the same for both days, will be geared toward year-end document issues. Attendance for these training sessions is optional but is strongly encouraged for the first and second year document processors. To register for training, email [training@ksu.edu](mailto:training@ksu.edu) with your name, department and employee id.

At the end of each fiscal year, all state-administered obligations must be paid or an encumbrance established for them. The dates listed on the "Final Date" attachment must be adhered to for all state-administered accounts.

Departments should carefully monitor all funds as the year draws to a close.

**It is critical that the Controller's Office receive either a payment voucher (Travel Voucher, APV, Interfund Voucher) or a KSU Encumbrance Form by the date listed for your department's current year obligations.** Current year obligations include all payments due for goods, equipment, or services received; and/or orders for goods or equipment dated prior to June 30, 2007.

If a payment voucher will not be received in Accounting by June 22, it will be necessary to complete an E-Form KSU Encumbrance Form by June 28. Sufficient descriptive detail and a sufficient amount to cover the payment must be included on the encumbrance documents. Attached are special instructions for encumbrance procedures. **The Controller's Office does not require that hardcopies of the KSU Encumbrance Forms be sent to the Controller's Office. Tracking of KSU Encumbrance Forms is available through E-Forms. Please keep a copy of this memo for reference during fiscal year end processing.**

**FINAL DATES FOR CURRENT FISCAL YEAR FINANCIAL TRANSACTIONS**

Please submit all transactions as early as possible. Allow time for proper payment approval, and for delivery to the Controller's Office.

<b>Date</b>	<b>Item</b>
May 4	Purchase Requisitions for \$25,000 or more (See Memo 07-06).
May 25	Last day to submit transfers of non-payroll payment and/or corrections changing funding or correcting errors for the statement period July 2006 to April 2007.
May 25	Purchase Requisitions for less than \$25,000 (See Memo 07-06).
May 25	Final guaranteed date for personnel transactions to Division of Human Resources for 5/20/06 to 6/02/06 pay period.
June 15	Last day for Payroll transfers/corrections.
June 22	Travel Vouchers. These vouchers are to cover all trips completed by July 1, 2007. Expenses for trips <u>completed before</u> July 1, which will not be submitted by this date, must be listed on KSU Encumbrance Forms and submitted by June 28. Travel expenses for trips <u>beginning</u> in June and <u>ending</u> in July or later may be charged in part to both fiscal years or in total to the new fiscal year. Therefore, departments can divide the expenses for this type of trip into old and new fiscal year payments, with the old fiscal year segment paid on a June voucher and the new fiscal year segment paid on a July voucher, or paying the expenses for the entire trip on a new fiscal year voucher.
June 22	APV's and Interfund Vouchers. All current fiscal year expenses to be paid with an APV or Interfund Voucher submitted after this date are to be listed on KSU Encumbrance Forms (KSU118) which are to be submitted by June 28. If estimates of such expenses are necessary, make sure estimated amount is sufficient (i.e. includes shipping and handling costs where applicable).
June 22	June 2007 BPC payments. All June 2007 Procurement Card Vouchers should be submitted by this date to allow them to be processed by the close of the fiscal year.
June 25	Local Agency APV's & APO's. Local Agency APV's requiring payment in FY06 should be submitted by this date to allow them to be processed by the close of the fiscal year. FY08 Local Agency APV payments could be delayed during year-end processing.

- June 27 Final transfers of non-payroll payments and/or corrections. All transfer of payments and corrections to the accounting records must be submitted by this date.
- June 27 Deadline for Allocated Budget Transfer Forms and Non-Allocated Funds Transfer Forms
- June 28 KSU Encumbrance Forms (KSU 118) due in Accounting. Includes all current year obligations to vendors including other state agencies, and travel expenses that won't be submitted to the Controller's Office by the final dates. Departments must obtain special approval to pay for current fiscal year items not reported by final dates. Note: Items that are not encumbered or are not encumbered properly for current year obligations could result in having to be processed as prior year payments which require Legislative approval, depending on the amount and time frame involved. **KSU Encumbrance forms are now "Savable Forms" available on the Controller's Home Page, <http://www.ksu.edu/controller/eforms/> and the Controller's Office does not require a copy to be forwarded.**
- June 29 11:00 A.M. - Cash Deposits. Receipts received too late to be included in this deposit are to be recorded with July or later dates.
- June 29 June 2007 UMB BTA Payments are due **by noon**.
- July 6 Expedite vouchers due in Accounting **by noon**. These include FY07 vouchers for utility billings (landline phones, electricity, water, sewer, and natural gas), construction payments, foreign wires, and Imprest Repayments.

### **Procedures for Encumbrances**

Encumbrances are obligations incurred in the form of orders, contracts, and other similar items that will become payable when goods are delivered or services rendered. Generally this allows for encumbrance payments only for:

Goods or equipment **ordered** through non-cancelable purchase contracts or services completed prior to June 30 that have not been invoiced and paid in the current fiscal year.

If an item is ordered in FY07 it must be paid with FY07 funds whether you have been invoiced for it or not. The key here is that the FY order date determines the fiscal year that the payment is charged to.

### **SPONSORED PROJECT EXEMPTION:**

Sponsored Projects are exempt from the Kansas encumbrance requirements. Therefore, it is not necessary to encumber items paid for on sponsored projects. This applies to projects that begin with a "G". Subsequent payment of these items **must include this statement:**

"An obligation of a sponsored research project. K.S.A. 76-752 and/or 76-770 exemptions apply." **Please note obligations paid from matching OOE accounts and organized research funds must be encumbered.**

**ENCUMBRANCES :**

Encumbrances are established through two general procedures:

1. All outstanding purchase requisitions, APO's, DA-146, and DA-47 at June 30 are automatically encumbered by the Controller's Office.
2. Departmental completion of the KSU Encumbrance Form. See attached General Reminders for All Encumbrances and KSU Encumbrance Form.

Departments must retain auditable documentation to verify amounts encumbered are supported by firm orders to specific vendors. We recommend filing with the departmental copy of the encumbrance form the APV or IDV that will be used to liquidate the encumbrance and a copy of the order to the vendor dated prior to July 1.

**KSU Encumbrance forms are now "Savable Forms" available on the Controller's Home Page, <http://www.ksu.edu/controller/eforms/> and the Controller's Office does not require a copy to be forwarded.**

### General Reminders for All Encumbrances

We wish to emphasize the following, in connection with encumbering payables associated with FY07 obligations:

- Amounts for encumbrances need to be accurate and all-inclusive. The department needs to ensure that shipping and other miscellaneous costs are included.
- A 6-digit document number is automatically assigned to the KSU Encumbrance Form; this number will assist in identifying the encumbrance when the liquidating payment(s) is made.
- Encumbrances for Purchase Requisitions, APO's, DA-146's, and DA-47's are not to be recorded on the KSU Encumbrance Form. These are set-up under another process.
- Sponsored Project Accounts are not to be encumbered on the KSU Encumbrance Form. These are projects that begin with "G". Legislation has allowed expenditures from sponsored project accounts anytime during the term of the grant or contract, regardless of the fiscal year in which the obligations are made. Therefore, it is not necessary to encumber items purchased on sponsored project accounts. **However, obligations on any matching accounts must be encumbered.**
- Payroll transactions are not to be encumbered on the KSU Encumbrance Form.
- The state has instructed us that they will not process encumbered payments until current year books are closed, late in July. If a travel reimbursement or other payment voucher is encumbered, the traveler or vendor should be made aware of this delay.

If you have questions regarding encumbrance procedures or use of the KSU Encumbrance Form, please contact Controller's Office, General Accounting, at 532-6202.