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**INTEROFFICE MEMORANDUM**

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**STATE OF MAINE OFFICE OF THE STATE CONTROLLER**

14 STATE HOUSE STATION

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**TO: ALL DEPARTMENTS AND AGENCIES**

**FROM: DOUGLAS COTNOIR, STATE CONTROLLER**  
**BETH ASHCROFT, STATE BUDGET OFFICER**  
**DAVID MORRIS, ACTING CHIEF PROCUREMENT OFFICER**

**SUBJECT: FISCAL YEAR 2023 YEAR END GUIDELINES**

**DATE: APRIL 20, 2023**

**CC: KIRSTEN LC FIGUEROA, COMMISSIONER**

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As this fiscal year is drawing to a close, the State Controller, State Budget Officer, and the Chief Procurement Officer are jointly providing departments and agencies with guidelines related to expending money for the purchase of goods and services at year end. These guidelines are intended to apply to all funding sources. All requests for purchases and requests for contract or amendment approvals must be essential to meet the State's immediate needs. Please note the deadlines in this memo pertain to both electronic and paper transactions.

**Procurement of Capital Items:**

The purchase and related encumbrances of funds for capital items will only be processed in the fourth quarter where the test of essentiality is met. Agencies must scrutinize these purchases carefully before submitting purchase requests.

**Procurement of All Other Items:**

Delivery Orders (DO) will be limited only to purchases that are immediately necessary. Agencies must scrutinize these requests for purchase carefully and, where possible, postpone the purchase to FY24. Non-emergency purchases requested after June 16<sup>th</sup> will be processed in FY24.

Due to the application of the 15 Day Appeal Period requirement, The Division of Procurement Services will process non-emergency requisitions for competitive bid in FY23, if the Requisitions (RQS) are received by the Division of Procurement Services no later than

May 15<sup>th</sup> and no later than June 5<sup>th</sup> for non-competitive bid requisitions. Non-emergency requests received after these dates will be processed in FY24.

The last day for Procurement Card purchases to expend FY23 funds is May 26<sup>th</sup>. Transactions must be posted to TD Bank by the close of business on May 30<sup>th</sup>. Any Procurement Card purchases made after May 26<sup>th</sup>, may not be billed until July.

REMINDER: Agencies should reconcile and liquidate all outstanding Procurement Card bills (REs) before the end of the fiscal year. The only outstanding charges that should be carried into the new fiscal year are those that have not yet been billed on an RE.

### **Contracts and Grants for Services:**

Encumbrance of contracts and grants for service (CT) will be limited only to purchases that are immediately necessary. Agencies should scrutinize these requests for procurement of services carefully and, where possible, postpone the purchase until FY24. Non-emergency contracts, valued at \$1 million or more, must be requested no later than May 15<sup>th</sup> and no later than June 5<sup>th</sup> for those valued under \$1 million. Contracts requested after these dates will be processed in FY24.

As we move forward with end of year activities, it is incumbent upon each Agency to verify that all agreements are correctly staged with the correct event type(s). For instance, an encumbered agreement spanning two fiscal years would be coded with event type PR05 for the current fiscal year and with event type PR08 plus Budget Fiscal Year 2024 for the next fiscal year.

All encumbered documents using event type PR05 and unencumbered documents using event type PR07 will automatically roll at the fiscal year end, provided there is an open balance on a current year or future year accounting line. If there is no open balance in the current year or are no lines staged for future years, the document will not roll. There is no need to stage unencumbered contracts using event type PR88.

REMINDER: Agencies should ensure their work programs contain sufficient allotment in the first quarter to cover staged contracts.

### **Prepayments for Goods and Services:**

Prepayments for services or goods are not permitted. In accordance with Title 5, section 1552, all payments must be made from proper invoices for services rendered or goods delivered. As such, the practice of overpaying or prepaying any of the various Internal Service Funds or outside vendors is not allowed. All payments must be made against invoices for completed services and any payments to the Internal Services Funds or other vendors with the intent of having that fund or vendor hold the payment for future projects or services, once identified, shall be returned to the funding account through the Office of the State Controller. If that account is a non-carrying account, the funds shall lapse.

## **Payroll Insufficiencies**

Agencies must ensure that sufficient Personal Services allotment exists to process June payrolls by proactively resolving funding issues with the appropriate Analyst in the Bureau of the Budget in time to process any Budget Orders or Financial Orders in advance of the payroll to be paid. These Orders must be posted in Advantage in advance of the payroll payment. All allotment and cash insufficiencies must be resolved before the final payroll of the fiscal year is paid. For the Cycle B payroll, there must be sufficient allotment by the close of business on June 21<sup>st</sup> and for Cycle A, there must be sufficient Personal Services allotment by the close of business on June 28<sup>th</sup>.

## **Payroll Accruals**

Payrolls will be charged to the fiscal year in which the payment is made. If you accrue payroll for Cycle B, please include all working days from June 11<sup>th</sup> through June 30<sup>th</sup>. If you accrue payroll for Cycle A, please include all working days from June 18<sup>th</sup> through June 30<sup>th</sup>.

## **Fiscal Year 23 Journal Transfers**

The Controller's Office will begin preparing the journal vouchers to move account balances in accordance with the various laws before the end of May. Please ensure that any funds identified to be transferred are available in the accounts by that date. If your agency posted a journal related to a State Controller law reference, please notify Sandra Royce in the Office of the State Controller. Please reference the JV number and the date accepted by Advantage.

## **Advantage**

Based on our current year end processing calendar, Advantage will be available throughout the year end process.

## **Payment Vouchers (GAX's & PRC's over \$5,000)**

Documentation for these FY23 transactions should be received in OSC Pre-Audit, properly coded and approved, no later than 12PM, Monday, June 26<sup>th</sup>. To help ensure that documents are approved to final, the documents must reach our office by the deadline, be free of errors, and meet our pre-audit standards.

Do not schedule payments into the new fiscal year. All payment vouchers (GAX and PRC documents) with a scheduled payment date past June 30, 2023, will be rejected by OSC regardless of dollar amount.

## **Cash Receipts**

The last day to record deposits of FY23 monies in Advantage is Friday, June 30<sup>th</sup>. Departments are still required to make deposits at the bank on Friday, June 30<sup>th</sup>, for all monies available for deposit on that day.

## **Carrying Accounts**

Please provide a list of General Fund and Highway Fund accounts/appropriations that carry by law to Sandra Royce at the Office of the State Controller no later than Friday, May 12, 2023. This includes any partial account balances that carry by law. You should indicate which law authorizes the appropriation to carry.

## **Financial Orders**

Financial Orders that require a 30-Day Wait should be submitted to the Bureau of the Budget by May 8th, for the May 17<sup>th</sup> signing meeting with the Governor. The deadline to submit Financial Orders for the last signing meeting of the year (Financial Orders that do not require a wait) is June 20<sup>th</sup>, for the June 29<sup>th</sup> signing meeting with the Governor. If necessary, additional signing meetings (depending on volume and emergency situations) may be scheduled but are not guaranteed.