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**INTEROFFICE MEMORANDUM**

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

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**TO: ALL DEPARTMENTS AND AGENCIES**

**FROM: DOUGLAS COTNOIR, STATE CONTROLLER**

**KIMBERLY A. SMITH, ACTING STATE BUDGET OFFICER**

**DAVID MORRIS, ACTING CHIEF PROCUREMENT OFFICER**

**SUBJECT: FISCAL YEAR 2026 YEAR END GUIDELINES**

**DATE: APRIL 30, 2026**

**CC: ELAINE CLARK, 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 FY27. Non-emergency purchases requested after June 12<sup>th</sup> will be processed in FY27.

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 FY26, if the Requisitions (RQS) are received by the Division of Procurement Services no later than May

8<sup>th</sup> and no later than May 29<sup>th</sup> for non-competitive bid requisitions. Non-emergency requests received after these dates will be processed in FY27.

The deadline for paperless modification requests for FY26 is June 12<sup>th</sup>.

The last day for Procurement Card purchases to expend FY26 funds is May 22<sup>nd</sup>. Transactions must be posted to JP Morgan by the close of business on June 2<sup>nd</sup>. Any Procurement Card purchases made after May 22<sup>nd</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 FY27. Non-emergency contracts, valued at \$1 million or more, must be requested no later than April 17<sup>th</sup> and no later than May 15<sup>th</sup> for those valued under \$1 million. Contracts requested after these dates will be processed in FY27.

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 2027 (or later if applicable) for the next fiscal year. Requests for new and/or changes to FY27 staged encumbrances must be received by June 12<sup>th</sup>.

All encumbered documents using event type PR05 will automatically roll at the fiscal year end, provided there is an open balance on a current year line or there is at least one accounting line staged for a future year. Accounting lines with event type PRM5 will lapse at fiscal year end.

Unencumbered documents using event type PR07 will automatically roll if the Service End Date is greater than 6/30/2025. If the Service End Date is prior to 07/01/2025 and you need the document to roll, you will need to modify the service date. If there is no open balance in the current year or are no lines staged for future years, the document will not roll.

All MJRP, Fund 023, PR05 FY26 lines will roll as PRM5 lines into FY27.

REMINDER: Agencies should ensure their FY27 work programs contain sufficient allotment in the first quarter to cover staged contracts. Separate instructions for the FY27 work program will be distributed in the near future.

## **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 17<sup>th</sup> and for Cycle A, there must be sufficient Personal Services allotment by the close of business on June 24<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 7<sup>th</sup> through June 30<sup>th</sup>. If you accrue payroll for Cycle A, please include all working days from June 14<sup>th</sup> through June 30<sup>th</sup>.

## **Fiscal Year 26 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 Brad Rodrigue in the Office of the State Controller. Please reference the JV number and the date accepted by Advantage.

## **Payment Vouchers (GAXs & PRCs over \$10,000)**

Documentation for these FY26 transactions should be received in OSC Pre-Audit, properly coded and approved, no later than 4PM, Thursday, June 25<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. This includes documents processed in MainePays.

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

## **Restricted Document Referencing**

PRC, CR and IET documents that reference prior year Procurement or RE documents cannot be processed on July 1<sup>st</sup> or July 2<sup>nd</sup>. Prior year documents will not be rolled into the new fiscal year and available for reference until July 6<sup>th</sup>.

\*Note – Documents referencing the new fiscal year will be accepted during this time.

## **Cash Receipts**

The last day to record deposits of FY26 monies in Advantage is Tuesday, June 30<sup>th</sup>.

## **Carrying Accounts**

No later than May 1 2026, please provide a list of General Fund and Highway Fund accounts/appropriations that carry by law to Brad Rodrigue at the Office of the State Controller with a copy to your Analyst in the Bureau of the Budget. 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 must be submitted to the Bureau of the Budget by May 13<sup>th</sup> for the May 28<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 3<sup>rd</sup>, for the June 18<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.