

Department of Finance and Administration
OFFICE OF FISCAL MANAGEMENT
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M E M O R A N D U M

TO: Finance Officers, State Agencies

FROM: Diane Langham, Director *DL*

DATE: May 29, 2014

SUBJECT: **Closing FY14 and Opening FY15 Procedures**

In preparation for the MAGIC conversion, June year-end for Fiscal Year 2014 (FY14) is Friday, June 27th rather than June 30th. On July 1, 2014, the State's new ERP system, MAGIC, will go-live and replace SAAS. Budget Year 2014 (BY14) lapse transactions will process in MAGIC in addition to Budget Year 2015 (BY15) transactions. We are including some procedural requirements for closing FY14 and opening FY15.

Specific FY14 year-end SAAS deadlines have been set for individual transactions/processes. Please plan accordingly to adhere to these dates, as SAAS security will be suspended for these transactions. If you utilize postal service or handmail for delivery of paperwork to OFM, be sure to allow ample time for the documents to be received in our office by the specific due dates. We recommend hand delivery if there is any doubt in meeting deadlines.

SECURITY CHANGES

The cutoff date for security changes to SAAS, WebProcure, Asset Works, and Paymode is May 30th. This means new users cannot be added and changes cannot be made to existing users. However, existing users can and should be deleted as employees leave the agency or no longer need the access.

BUDGETS

The state level budget for BY15 must be entered in SAAS using SAAS codes on or before June 6th and will be converted to MAGIC using the agency's crosswalk. Modifications to the BY15 state level budget will be done in MAGIC on or after July 1st and will follow workflow rules in MAGIC based on budgetary controls. Agency level budgets for BY15 will be entered in MAGIC on or after July 1st, either through direct entry or the spreadsheet upload.

The last date for budget entries and adjustments to state and agency level budgets in SAAS for BY14 is **June 25th**. The June ending balances for BY14 state and agency org level budgets will be converted to MAGIC.

PROCESSING SCHEDULE FOR YEAR-END

SAAS and SPAHRS will be available on weekends from 8:00 a.m. to 8:00 p.m. beginning May 31st through June 22nd. There will be no nightly processing, and the MMRS Call Center support will not be available on weekends. Please note SAAS and SPAHRS will be down for year-end processing and MAGIC conversion beginning at 5:00 pm on June 27th through June 30th. MAGIC is scheduled to be up by noon on July 1st.

BY14 JOURNAL VOUCHERS (JVs)

All BY14 JVs to be processed in SAAS must be submitted to the Office of Financial Reporting (OFR) on or before June 25th with required supporting documentation. JVs that require only agency approval, for example, J2s, JAs, J9s, etc., must also be processed in SAAS on or before June 25th. Lapse period BY14 JVs will be processed in MAGIC beginning July 1st.

BY14 PURCHASE ORDER (PO) DEADLINES

June 26th is the deadline to enter and apply all agency approvals to POs for BY14. This includes CS, PC, PD, PG, PN, SC, etc. documents. SAAS security will be suspended as of close of business on June 26th. Please ensure that all SC, CS, and PC encumbrances have sufficient balance to satisfy invoices received during the lapse period.

WebProcure POs that require control agency approvals (OPT, BFC, Fleet Management) must have all agency approvals applied by June 20th and other WebProcure POs must have all agency approvals applied by June 25th. WebProcure security will be suspended at the close of business June 25th. ITS CP-1 approvals will be complete by June 24th to allow agencies to enter and approve resulting purchasing documents. If you have questions regarding a CP-1, please contact ITS Procurement Help Desk at 601-432-8166.

LAPSE PERIOD BY14 PAYMENTS

Lapse period (July and August) BY14 payments for goods and services that require a purchase order in SAAS, will be processed on a KR document in MAGIC if the payment does not reference a contract. For BY14 payments that reference a contract, use an RE document in MAGIC. Whether you use the KR or the RE, the SAAS PO number is required in the "item text" field on the line item.

The attached certification must be completed and returned to OFM by June 20th. The certification is required due to lapse period processing in MAGIC without the conversion of outstanding purchase orders. Each agency will certify that MAGIC payments for goods and services that require a SAAS PO will be paid in BY14 if a PO was issued by June 27th and at the time of the payment, the balance of the PO was equal to or more than the amount of the payment. If no PO was issued or the balance

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is exhausted, the payment will be processed in BY15 as a prior year expense. DFA and/or the Auditor's Office may perform post review compliance checks.

CONTRACTS

June ending balances for contracts will be converted to MAGIC. The last day for contract entry into Transparency is June 26th. Questions about contract entry should be directed to the MMRS Call Center at 601-359-1343.

BY14 AND BY15 CASH ACCOUNTS

In MAGIC, the general ledger (GL) account for cash will be the same for both budget years which is different from SAAS where GL accounts 10105 represents Prior Year Cash and 10100 represents Current Year Cash. In addition, agencies will tell OFM how much cash to move forward from BY14 to BY15 rather than how much to leave in the old budget year.

Please complete and return the Cash Move Form for all your MAGIC special funds by June 20th so that OFM can establish BY15 cash by July 1st. Remember to indicate the MAGIC Fund Number and the SAAS Fund Number, along with the amount of cash to move forward to BY15.

To calculate the amount of cash to move forward, first calculate how much cash is needed in BY14 to cover outstanding purchase orders, outstanding payment vouchers and expected BY14 payments for travel, utilities, etc., during July and August. Then subtract this amount from the estimated net cash balance at June 27th to determine the cash amount that needs to be moved forward.

Since this is an estimate, you will be able to move cash during the lapse period by contacting our office. Invoices will be rejected if sufficient cash is not available in the proper budget year. Please carefully monitor your cash balances in both budget years during July and August.

DOCUMENT NUMBERS

Agencies will no longer request automatic numbering as MAGIC generates a unique number for each document.

PETTY CASH

The Petty Cash funds must be reconciled as of June 27th and the final reimbursement for BY14 must be submitted to OFM by July 16th. The reimbursement for BY14 as of July 16th must be requested by submitting a final petty cash reimbursement request on a payment voucher along with Form 29.60.10 (Statement of Petty Cash/Imprest Fund Expenses). If no reimbursement is being requested, please still submit the completed form stating the authorized amount.

OFM continues to monitor petty cash. Please complete the Petty Cash Reauthorization form for your agency for each fund in which petty cash is set up and return to OFM by June 24th. A copy of your agency's petty cash procedures should be attached to the form.

Petty cash may be held in bank accounts or cash boxes. This form should be completed for true petty cash accounts only. This form should not be completed for monies held in bank clearing accounts or custodial fund accounts or to request a new petty cash fund. This process is separate and apart from establishing bank accounts.

PAYROLL PROCESSING

The due date for the June monthly payroll is June 18th and will pay on June 27th, not June 30th. The last supplemental payroll processing date for June is June 23rd and will pay on June 27th. The first supplemental payroll processing date in July is July 8th and will pay on July 11th. Check all June payrolls carefully for completeness. No payroll checks will be issued after June 27th until July 11th.

TRAVEL ADVANCES

Advances for travel expenses issued in BY14 must be settled by July 31st. Any payments to employees, including salary, can be held by DFA if travel advances are not cleared by the end of the month following the month in which the trip was completed.

TRAVEL

Travel completed before July 1st (BY14) should **NOT** be combined on the same travel voucher summary with travel completed after July 1st (BY15). SPAHRS will process travel based on the "travel to date". If this ending date is after July 1st, travel will be expended against your BY15 budget. If it is necessary to change these expenses to BY14, you will need to follow the "Mass Change Before Posting" procedures in SPAHRS.

Please remember that you cannot process Travel Vouchers (TRs) for travel advances or reimbursement for employee travel in SPAHRS for BY15 until July 1st or after. BY15 travel processing dates will **not** be established in SPAHRS until **after** June 30th. The last travel processing date in June is June 24th and will pay on June 26th. The first travel processing date in July is July 3rd and will pay on July 8th.

LAPSE PERIOD WAIVER CERTIFICATION

For BY14 only, OFM will accept lapse period waiver letter requests during the month of June for those vendors that have already indicated goods or services will not be received until after August

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31st. Follow the current procedures and these payments will be generated in SAAS. June waiver requests must be submitted to OFM by June 20th.

The deadline for all BY14 waiver letter requests is August 15th. Requests submitted after July 1st will follow the MAGIC process which will be similar to the current process. Please refer to the MAGIC training materials for details.

Submit all waiver requests to Barbara Elliott's attention at OFM. Prior to July 1st, OFM will post revised MAAPP manual instructions for processing waivers in MAGIC.

PURCHASE ORDER ROLLOVER AND ROLLDOWN

The Purchase Order Rollover and Rolldown processes will no longer occur because SAAS POs are not being converted to MAGIC and SAAS will end on June 27th.

LAPSE PERIOD PROCESSING

The new fiscal year begins July 1, 2014. All transactions processed in July will be recorded in the first accounting period of the new fiscal year (01/2015), but can be recorded in either BY2014 or BY2015.

During the lapse period, if special fund cash needs to be moved between BY15 and BY14, OFM will transfer the cash if available in the fund. If you need cash moved, email Susan Dodder, Barbara Elliott, and Princess Bender. **Please email all three.**

Section 64, Constitution of the State of Mississippi, provides that appropriations may be held open for two months - through August 31st. To be assured of adequate processing time, MAGIC invoices and MAGIC transfer transactions for BY14 should be submitted to OFM through workflow by August 15th. We **cannot guarantee** that documents received after this date will be processed.

AUTHORIZED SIGNATURE LETTER

This letter is no longer required because of the workflow process in MAGIC.

CONTACT INFORMATION FORM

Many times it is necessary for OFM to email agencies or to contact them in emergency situations. Therefore, please provide OFM with email addresses and phone numbers on the Agency Contact Information Form provided with this memo and return it to OFM by July 1st.

CMIA BALANCES

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Account 12404 (Due From Federal Government - CMIA) should be reconciled through May 31st and subsequent entries made during June should be double-checked for accuracy. Accounts 12404 and 22500 (Deferred CMIA Federal Revenue) should always be in balance. If not, the difference should be investigated and corrected as soon as possible. The last day to establish CMIA receivables is June 24th, and the last day to record federal receipts against any CMIA receivable is June 27th. The balance in 12404 and 22500 must be zero as of the close of business on the 27th. If federal receipts cannot be recorded to cover the receivable, contact OFM.

In MAGIC, cash in grant funds will be allowed to go negative in anticipation of grant receipts. Therefore, the CMIA accounts will not be used in MAGIC. During the lapse period in MAGIC, grant receipts should be coded to BY14 if account 12404 was established for those funds prior to June 25th and had not been received by June 27th.

EXPENDITURES/PERFORMANCE BY PROGRAM

MMRS will produce the M110 Report during June 27th nightly processing. Performance measures will be entered in SAAS in the normal manner. Security access will be re-established for this purpose and the deadline is July 18th.

MISCELLANEOUS SAAS TRANSACTION CUTOFFS

June 20th is the SAAS cutoff for billing invoice generation, table changes (funds, orgs, rptg, etc.), vendor additions or changes, DOR tax refund processing, receipt of the E-invoice file from Paymode, and receipt of the Paymode vendor activation file.

June 24th is the SAAS cutoff for agency level approvals on payment documents (PVs, EVs, GPs, GTs, etc.).

June 26th is the SAAS cutoff for the Paymode payment file, portal receipts, and non-CMIA cash receipts for all agencies other than tax collections DOR and Treasury,

June 27th is the SAAS cutoff for CMIA cash receipts for all agencies, tax collections from DOR and Treasury, and the recording of Treasury paid warrants.

PAYMODE E-INVOICES

Outstanding Paymode E-invoices will not be converted in the MAGIC/Paymode conversion process. The Invoice Aging Report should be run by each agency now so that all outstanding E-invoices can be cleared. If there is a problem with the invoice, it should be disputed with a detailed comment to

the vendor and indicate whether the invoice should be resubmitted or whether it has been paid. By

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law, invoices should be paid within 45 days. Please contact OFM if you need assistance in this process.

CLOSING

This memo, the agency contact information form, the petty cash form, the cash move form, and the lapse period certification are available on the DFA website at the following link: www.dfa.state.ms.us/Offices/OFM/OFM.htm under BY14 Year-End Close. Your cooperation during this busy transitional period is appreciated. If you have any questions concerning this memo or any of these procedures, please contact the following:

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|--------------------|---------------------------------|----------------------------|
| - Receipts: | Lynn Lawson at 601-359-3550 | Lynn.Lawson@dfa.ms.gov |
| - Payments: | Greg Ramsey at 601-359-2053 | Greg.Ramsey@dfa.ms.gov |
| - Purchase Orders: | Sharon Chambers at 601-359-3541 | Sharon.Chambers@dfa.ms.gov |
| | Gail Marshall at 601-359-2067 | Gail.Marshall@dfa.ms.gov |
| - Travel Advances: | Tonya Swan at 601-359-3853 | Tonya.Swan@dfa.ms.gov |
| - Waivers: | Barbara Elliott at 601-359-3049 | Barbara.Elliott@dfa.ms.gov |
| - Cash Moves and | Susan Dodder at 601-359-2156 | Susan.Dodder@dfa.ms.gov |
| Other items: | Princess Bender at 601-359-9433 | Princess.Bender@dfa.ms.gov |
| | Barbara Elliott at 601-359-3049 | Barbara.Elliott@dfa.ms.gov |

Pc: Susan Dodder, OFM
Jenny Bearss, MMRS
Melissa Womack, OFR
(4) Attachments