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July 14, 2015

To: Agency Accounting Coordinators  
From: Ron Mavetz, SWIFT System Support Director  
Subject: Annual Closing Instructions – Fiscal Year 2015

Attached are the Annual Closing Instructions for FY 2015, the final closing of SWIFT. The state will close FY 2015 the weekend of August 14th. SWIFT will not be available from Friday August 14th at 6:00 p.m. until Monday August 17th at 6:00 a.m. to ensure a successful closing.

### **What happens at hard close?**

At a high level, two important things happen at hard close:

First, the fiscal year (accounting year) is closed and agencies can no longer enter an accounting date prior to 7/1/2015, meaning nothing further can be processed against that year. This facilitates reporting by allowing MMB to develop the Comprehensive Annual Financial Report (CAFR) against data that can no longer be changed. It also performs the important function of closing income statement activity into fund balance to create an accurate starting point for the new fiscal year.

Remember, the fiscal year is different from the budget fiscal year (BFY). Budget fiscal year (budget period or budget date) is used to control spending authority as required by law and is not closed as part of this process.

Second, any unencumbered balances in BFY 2015 appropriations, depending on the appropriation type, are either closed or balanced forward. Exceptions include continuing or education aids appropriation types where the closing process does not affect unencumbered balances. After the close, agencies can make payments against encumbrances and can cancel encumbrances if no longer needed. Agencies can still deposit receipts to the closed budget fiscal year.

Below are important closing requirements and deadlines which are discussed in the document.

### **August 7, 2015**

- The last day to enter most types of transactions in SWIFT.
- Blanket purchase orders (BPMs and APKs using PLACEHOLDR vendor) must be cancelled August 7.
- Last day to enter anticipated/actual appropriation transfers requiring EBO approval for fiscal year 2015.
- Accounts granted authority to spend estimated receipts must realize actual receipts by this date.

### **August 14, 2015**

- Open purchase orders must be cancelled or certified to Minnesota Management & Budget (MMB) by August 14. The certification report will be emailed to agencies the week of July 20.
- Appropriations with authority to obligate estimated receipts must have sufficient actual receipts by August 14 or corrective action must be taken (e.g. cancel purchase orders or request exemption).

## **August 15, 2015**

- MMB automatically reduces expense budgets using a CLS document based on August 15 balances.
- Annual closing programs will run.

This document contains three appendixes to assist agencies in their closing activities:

- Appendix A – Agency Fiscal Year Closing Checklist
- Appendix B – How to Process Certain Transactions During the Closing Period
- Appendix C – Certifying Prior Year Purchase orders

If you have any questions related to:

- Purchasing, please contact the SWIFT help desk at 651-201-8100, option 2.
- Accounting, please contact [AgencyAssistance.MMB@state.mn.us](mailto:AgencyAssistance.MMB@state.mn.us)

# **ANNUAL BUDGET AND ACCOUNTING INSTRUCTIONS**

## **Annual Closing Instructions – Fiscal Year 2015**

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## **PART I. ANNUAL CLOSING PROCESS SUMMARY**

The State of Minnesota will close FY 2015 on the weekend of **August 14-16, 2015**, beginning the night of **August 14th**. The process is coordinated by MMB but requires action by accounting managers and staff at each state agency prior to closing. This document provides instruction on closing non-continuing appropriations and continuing appropriations with the end date **June 30, 2015**.

Agency staff must complete various tasks before closing weekend. During this time, MMB and state agencies work together to ensure that year-end activity is recorded properly in the state's accounting system. MMB will email certification and problem reports to each Agency's contact beginning in July. It is critical that each agency resolve all problems immediately.

The last day for agencies to process budget transactions is **August 14**. After this date, only limited transactions can be processed in SWIFT against BFY 2015. Transactions that will be allowed after closing include payments against purchase orders, cancellation of purchase orders, and cash receipts to authorized appropriations, appropriation cancellations, and appropriation carry-forwards.

Each year, the state prepares financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The annual closing is a critical part of preparing the state's financial statements. The annual financial statements report all of the financial activity that occurred during the fiscal year and report all of the state's assets and liabilities. The financial statements are used by companies that issue credit ratings on state bonds, by public interest groups and by other governments. The statements allow interested parties to accurately compare Minnesota's finances to those of other states and governments.

The annual closing process requires that State Agencies complete all activities for BFY 2015 by fiscal close so that financial statements can be complete and accurate. These activities include various responsibilities for requisitions, solicitations and purchase orders. Further information is included in the appendices for these responsibilities.

## PART II. PROCUREMENT

[Minnesota Statute 16A.28](https://www.revisor.mn.gov/statutes/?id=16A.28) (<https://www.revisor.mn.gov/statutes/?id=16A.28>) defines the period of time an appropriation is available for spending. More specifically, it requires that goods must be ordered or services rendered by **June 30th** of the year the money was appropriated.

The sections below provide highlights on year-end requisition, solicitation and purchase order requirements.

### A. Blanket Purchase Orders (BPM and APK)

Blanket purchase orders (BPM and APK using PLACEHOLDER vendor) must be cancelled using BFY 2015 funds. Exceptions to this policy are:

- Continuing appropriations with end dates beyond **June 30**.
- BPM's to acquire real property or to construct permanent improvements may be used in compliance with [Minnesota Statute 16A.28, Subd. 5](#).
- BPM's for formula/reimbursement grants where there is no formal agreement or contract. These requisitions must be cancelled prior to the August close.

For detailed instructions please refer to the [Quick Reference Guides](#) on MMB's SWIFT Page (<http://mn.gov/mmb/accounting/swift/training-support/reference-guides/purchasingqrg.jsp>).

### B. Solicitations Events

#### 1. Purchases for Services

Events tied to a BFY 2015 funded requisition for any type of service must be in an awarded status and resulting purchase orders must be budget checked, dispatched and the service(s) performed on or before **June 30th, 2015**. If the service(s) are not performed by this time, any outstanding purchase orders and accompanying event(s) must need to be cancelled.

Requisitions tied to the event / purchase order will need to be edited to update the chartfields to have the correct BFY 2016. The requisitions can then be sourced to a new event and new purchase orders awarded.

Events not tied to a requisition when awarded must use current BFY funding on the resulting purchase order award.

#### 2. Purchases for Commodities

Events tied to a BFY 2015 funded requisition that are to be awarded to a purchase order for commodities will need to have the purchase orders budget checked and dispatched no later than **June 30th, 2015**.

Any event that is not at an awarded status after **June 30th**, will need to be cancelled. Any requisitions tied to the event will need to be edited to update the chartfields to have the correct BFY 2016. The requisitions can then be sourced to a new event and new purchase orders awarded.

## **C. Purchase Orders**

[Minnesota Statute 16A.28](#) requires purchase orders be closed unless Agency heads certify to the Commissioner of MMB that goods were ordered or services rendered by **June 30th**. The deadline for certifying valid purchase orders, canceling/closing unneeded or non-certifiable orders, and returning worksheets to MMB is **August 14th**.

Agencies are encouraged to cancel any unneeded purchase orders as soon as possible. MMB will immediately follow up on all late submissions and open purchase orders that are not certified.

Agencies may apply for an exemption from the requirement that purchase orders with Federal accounts and against estimated receipts must be closed before **August 7th**. However, Agencies must certify valid purchase orders and cancel non-certifiable purchase orders.

## **D. Grant Purchase Order**

[Minnesota Statute 16A.28, Subd. 6](#), permits purchase orders for grants issued by **June 30th** to be certified for a period of one year beyond the year in which the funds were originally appropriated. Services rendered under grant contracts may occur during the certification period. Final payments can be processed after this one year period, but Agencies are expected to work closely with grantees after final grant related services are completed to ensure that final payment is processed as soon as possible.

## **E. Permanent Improvement Purchase Orders**

[Minnesota Statute 16A.28 subdivision 5](#) allows appropriations to acquire or better public land or buildings or other public improvements of a capital nature not lapse until the purpose of the appropriation are accomplished. Only purchase orders and requisitions established against continuing appropriation types are eligible for this exception.

## **F. Purchase Order Changes After Close**

In order to restore BFY 2015 funding to a purchase order after close, agencies will need to submit an appropriation form to their Executive Budget Officer requesting that the appropriation status be temporarily changed to Open. The explanation section of the form should include the purchase order number, amount and detailed explanation. Request should only be made for amounts greater than \$2,500.

## **G. Purchasing Receipt Dates on SWIFT Transactions Between July 1st and August 14th (Accounting Fiscal Year and BFY Close)**

To ensure accurate financial reporting, Agencies must accurately record the date they received goods or services in SWIFT, rather than allowing the date to default to the current date. In order to record transactions between July 1<sup>st</sup> and August 14<sup>th</sup> to Fiscal Year 2015, use an Accounting Date of June 30, 2015.

For detailed instructions please refer to the [Quick Reference Guides](#) on MMB's SWIFT Page.

## PART III. PAYMENTS

### A. Accounts Payable

BFY 2015 payments made after June 30th, 2015 must be for goods ordered and services rendered by June 30th, 2015. Generally these payments must reference a Purchase Order. Invoices for services that cross fiscal year end must be split between fiscal years. Agencies need to request this breakout from the vendor if it is not provided.

While it is important for Agencies to accurately code the date of receipt field throughout the fiscal year, it becomes critical at year end. The date of goods / services received field is used to determine liabilities for the State's comprehensive annual financial report (CAFR). To ensure this information is accurate Agencies must:

- Ensure that all goods and/or services received on or before **June 30th** are recorded as liabilities of the State by entering the correct date on the PO receipt. If the service dates on an invoice cross fiscal years, multiple PO receipts are required.
- Complete MMB CAFR confirmation requests timely to identify any goods and/or services received by **June 30th**. Based on materiality thresholds, MMB will send Agencies transactions with Purchase Order amounts at **June 30th** and ask them to identify what portion, if any, is for goods and/or services received by **June 30th**.
- Expenditure Corrections and expenditure refunds must be entered by **August 7th, 2015**. This includes any corrections between fiscal years, which require an AP Journal Voucher.

### B. SEMA4

Document Direct / InfoPac report ID HP2190, Expense Transfer Reconciliation report, is available to identify all transactions that are currently accounted for in the Agency payroll clearing (default) accounts. All items that appear on the report with a fiscal year equal to or prior to BFY 2015 must be transferred to a valid account within your Agency by entering a mass expense transfer in SEMA4. These mass expense transfers must be completed by noon on July 24th. If you have questions, please contact Erin Gregory at (651) 201-8077 or [Erin.Gregory@state.mn.us](mailto:Erin.Gregory@state.mn.us).

SEMA4 mass expense transfers for BFY 2015 accounts must also be completed by noon on July 24th, 2015. If you have questions, please contact Erin Gregory at (651) 201-8077 or [Erin.Gregory@state.mn.us](mailto:Erin.Gregory@state.mn.us).

Other memos regarding SEMA4 payroll transaction processing are available on the MMB web site under [SEMA4 Bulletins](https://mn.gov/mmb/accounting/payroll/bulletins/current-bulletins/) (<https://mn.gov/mmb/accounting/payroll/bulletins/current-bulletins/>).

## **PART IV. REVENUE**

### **A. Miscellaneous Cash Receipts**

All miscellaneous cash receipt transactions for BFY 2015 must be processed by **August 7th, 2015**. This includes any deposits that are regular and correcting direct journals. This requirement applies to all funds and appropriations except Federal receipts. See Exemption for Federal accounts below.

### **B. Exemption for Federal Appropriations**

MMB will permit limited exemptions for appropriations from the general closing. Exemptions are normally limited to appropriations that receive Federal receipts. Such exemptions are necessary because some programs involve Federal reimbursement of expenses where reimbursement cannot be obtained from the Federal government before the State's annual close.

Appropriations receiving exemptions must resolve any over-obligated or over-expended conditions before **February 24th, 2016** and cancel any BFY 2015 unliquidated encumbrances by **November 20th, 2015**. Any valid unliquidated encumbrances that are canceled at this time may be established in BFY 2016.

### **C. Receivables**

BFY 2015 receivables for goods or services provided by June 30th, and all modifications to existing BFY 2015 receivables for adjustments or additional services provided by June 30th, must be established in SWIFT by August 7th.

Year-end Accounts Receivable Certifications will be forthcoming and emailed to agencies with a memo, instructions, and Accounts Receivable worksheets. The Accounts Receivable worksheets need to include close activity and additional accounts receivable reporting information for the Comprehensive Annual Financial Report (CAFR). If you have questions regarding Accounts Receivable Certifications, please contact Kris Meyers at 651-201-8155 or Mary Borresen at 651-201-8152.

### **D. Receiving/Paying Bi-lateral Netting (Inter-Agency Payments) After Close**

After **June 30th**, an Agency processing a payment to another State Agency not referencing a purchase order must pay from BFY 2016. The agency receiving the revenue may deposit to their BFY 2015 revenue budget.

## **Part V. Assets**

### **A. Year-end Asset Certifications**

The SWIFT Asset Management (AM) module will be closed to further activity at the end of the business day Friday, July 17. Year-end Capital Asset Certification worksheets will be forthcoming and emailed to agencies with a memo, instructions, and Capital Asset worksheets. The capital asset worksheets will include land, buildings, construction in progress, development in progress, infrastructure, easements, art and historical treasures, internally generated computer software, and equipment. If you have questions regarding capital asset certifications, please contact Sara Baker at 651-201-8157.

## PART VI. BUDGETING

### A. Treatment of Appropriation Balances During Annual Close

Correct appropriation type codes are very important because they determine how unencumbered balances will be processed at closing.

Since continuing appropriations will not be affected by the closing process, Agencies must monitor continuing appropriations for negative balances and cancel remaining balances when appropriate.

The chart below shows SWIFT appropriation type codes and how they are processed at closing.

Type Code	Description	Balance Processing
01	Regular	Cancel
02	Continuing	No Action
03	Special Direct	Rolls Forward
04	Special Dedicated	Rolls Forward
05	Biennial	Rolls Forward Even Years, Cancels Odd Years
06	Open	Adjust to \$0 Balance
07	MNSCU Alternate Budget Close	Rolls Forward at alternate date to accommodate “work 9, pay 12 payroll”
08	Education Aids Alternate Budget Close	Cancels at Alternate Date

### B. Appropriations with Mixed Authority to Balance Forward

Some appropriations have legal authority that allows some, but not all, of the funds in an appropriation to carry forward. In these cases, part of the SWIFT closing entry must be manually processed before the automated closing on the weekend of **August 14th, 2015**. Agencies should prepare a [SWIFT Appropriation Form](#) (<http://mn.gov/mmb/accounting/swift/forms/>) to either manually cancel a balance or have the appropriation type temporarily changed so that a manual balance forward can be processed.

### C. Canceling unexpended State Seminar Fees

[Minnesota Statute 16A.721](#) (<https://www.revisor.mn.gov/statutes/?id=16A.721>) requires that unobligated balances of State seminar fee appropriations carried forward must be expended in the following year. If the expenditure in the following fiscal year is not equal to or greater than the carry forward amount, that balance must be transferred to the general fund appropriation – Fund 1000, DeptID G9R13036, AppropID G9R0017. If your Agency has an appropriation which meets these criteria, you’ve received a report from Budget Planning which will indicate the amount to be transferred. If you have state seminar fee account questions, contact Chris Johnson (651-201-8176 – [Christopher.Johnson@state.mn.us](mailto:Christopher.Johnson@state.mn.us)).

## **D. Allotment Amounts Reduced**

MMB will run a process the evening of close (August 15th, 2015) based on data from August 14th that will create a negative expense budget under the expense account class “410CL” for all unencumbered funds within each PAYRLL allotment and “499CL” for all unexpended/unencumbered funds within each NONPAY allotment. These transactions will reduce the allotment encumbrance authority to “0” while preserving the original expense budget amounts established by the Agencies. This process will be run for all appropriation types in all funds with the exception of continuing appropriations (type code 02).

## **E. Coding Budget FY on SWIFT Transactions Between July 1st and August 14th (Accounting Fiscal Year and BFY Close)**

For most transactions in SWIFT, the Budget Period is determined by the budget date entered on the transaction. If the date is left blank, the system will default the current date. Agencies should pay particular attention to this date between **July 1st** and fiscal close (**August 14th, 2015**).

## **F. Resolving Budgets Over-obligated, Over-expended, or with Negative Receipts or Negative Expenses**

The information in this section applies to a limited number of appropriations, but resolving the conditions in these budgets is very important so SWIFT can close properly.

If your Agency has any of the following conditions, Agency Assistance will include the errors on the problem reports, which are sent out periodically starting in July.

### **1. Over-obligated Appropriations**

Appropriations with a budget authority of “E” (authority to obligate *estimated* receipts and spend only *actual* receipts) **and** where *actual* receipts have not yet been deposited to cover the obligations. These appropriations may have outstanding purchase orders *funded* by estimated receipts not yet received.

Over-obligated appropriations must be resolved by **August 7th** by taking corrective action. Solutions include canceling purchase orders or moving expenditures to another appropriation if legally feasible.

### **2. Over-expended Appropriations**

Non-Federal appropriations with budget authority of “G” (obligate and spend the greater of *actual* or *estimated* receipts) **and** where *actual* receipts have not yet been deposited to cover the expenditures. Over-expended appropriations may also be over-obligated as described above. These appropriations have been authorized to make expenditures against anticipated receipts.

The budget authority of these appropriations will be changed from “G” to “E” during the close process.

### **3. Budgets with negative receipts or negative expenses**

Negative expenditures may occur when an Agency is reimbursed for prior year expenditures but there aren't enough current year expenditures to offset the reimbursement within an appropriation. Negative receipts may arise when an Agency refunds prior year receipts but doesn't have enough current year receipts to offset the refunds within an appropriation.

Corrections for negative receipts and negative expense may vary; therefore, Agencies should contact [AgencyAssistance.MMB@state.mn.us](mailto:AgencyAssistance.MMB@state.mn.us) prior to August 7th for resolution.

## APPENDIX A

### Agency Fiscal Year Closing Checklist

(MMB is providing this checklist for reference.)

#### New Year Set-up:

- Appropriations are set up correctly.
- Expense Budgets have been established so that Appropriations are fully allotted.
- Revenue Budgets have been established.
- Necessary Anticipated Transfers have been processed.
- Purchase Orders processed.
- Position Funding corrected for positions in error on the Positions with Invalid Code Blocks.

#### Close Preparation:

- Determine if any dedicated nonfederal appropriations need cash flow assistance.
- Adjust revenue budgets in dedicated appropriations to anticipate receipts in amounts sufficient to pay certified encumbrances or to cover negative cash balances. (This is an optional task.)
- Ensure sufficient funds are allotted to meet remaining payroll obligations.
- Ensure funds are encumbered to pay Indirect Costs.
- Review open encumbrance and requisitions and adjust/cancel as needed.
- Cancel requisitions not encumbered by June 30th.
- Review encumbrances to ensure that there is a sufficient unliquidated balance to cover outstanding obligations.
- Adjust expense budgets to eliminate unobligated balances (optional).
- Adjust anticipated transfers so that the anticipated transfer balance is \$0.
- Settle all FY 2015 employee travel advances.
- Review unprocessed transactions and process/delete as appropriate.
- All other payroll deadlines have been met (including payroll expense transfers).
- All encumbrance certification and encumbrance deadlines met.

## APPENDIX B

### How to Process Certain Transactions During the Closing Period

#### A. Canceling and Recreating a Strategic Sourcing Requisition in SWIFT

The buyer should unattach the original requisition from the solicitation and return it to the requestor for cancellation or update the current funding. The buyer will then need to create a new solicitation/event and attach the new or updated requisition to the event.

For detailed instructions please refer to the [Quick Reference Guides](http://mn.gov/mmb/accounting/swift/training-support/reference-guides/purchasingqrg.jsp) on MMB's SWIFT Page. (<http://mn.gov/mmb/accounting/swift/training-support/reference-guides/purchasingqrg.jsp>)

#### B. Canceling Requisitions in SWIFT

Agencies must review the Encumbrance Certification Report for requisitions not pre-encumbered or fully awarded to a purchase order and budget checked by **June 30th, 2015**. Agencies must change these requisitions to use FY2016 budgets or cancel the requisition.

For detailed instructions please refer to the [Quick Reference Guides](http://mn.gov/mmb/accounting/swift/training-support/reference-guides/purchasingqrg.jsp) on MMB's SWIFT Page.

#### C. Certifying, Canceling or Carrying Forward Purchase Orders in SWIFT

The Encumbrance Certification Report is being e-mailed as an Excel file to all State Agencies the week of July 20th. This report will be used to identify Purchase Orders which need to be certified, will be cancelled by the Agency, or need to be carried forward into BFY 2016. For carry forward orders, Agencies will complete an excel template and submit it to the SWIFT team in order to add FY2016 funding to the existing purchase orders.

The following steps are needed to certify, cancel or carry forward purchase orders:

1. Review **Encumbrance Certification Report**
2. Identify Purchase Orders to certify to remain open for BFY 2016.
3. Identify Purchase Orders to cancel and cancel Purchase Orders in SWIFT
4. Identify Purchase Orders to carry forward and complete excel template and submit to SWIFT team in order to add FY2016 funding to the existing purchase orders.

E-mail the completed **Encumbrance Certification Report** and exemption requests to MMB no later than **August 14th, 2015**.



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The deadline for certifying valid purchase orders, canceling unneeded or non-certifiable purchase or identifying carry forward orders is **August 14th, 2015**.

For detailed instructions on how to cancel a purchase order or complete the excel template (Component Interface), please refer to the [Quick Reference Guides](#) on MMB's SWIFT Page.

## APPENDIX C

### Certifying Prior Year Purchase orders

The deadline for certifying valid BFY 2015 purchase orders, canceling unneeded or non-certifiable purchase orders or carrying these forward to BFY 2016 is **August 14th, 2015**.

The **Encumbrance Certification Report** is being e-mailed as an Excel file to all State Agencies the week of July 20th. This report will be used to identify Purchase Orders which need to be certified, will be cancelled by the Agency, or need to be carried forward into BFY 2016.

**Close Report:** All purchase orders in this group must be closed by **August 12th, 2015**. Included are:

1. Purchase orders in Account code Group 1 where the appropriation end date is 06/30/15. This includes all appropriation types, except type 02.
2. All purchase orders where the appropriation end date is on or before 06/30/15.
3. All requisitions.

**Close / Certify Report:** This includes purchase orders in Account code Groups 2, 3, and 4 in all appropriation types, except 02, where the appropriation end date is 06/30/15. Mandatory closing dates are as follows:

Account Code Group	Mandatory Close Date
02	December 31, 2015
03	March 31, 2016
04	June 30, 2016

**Review Report:** Purchase orders listed in this category are in appropriation type 02 and do not require certification.

**Debt Management:** This includes encumbrances for bonded projects where the appropriation type is 02 and the Bill Area is A96 or A92. Encumbrances meeting these criteria should also be reviewed by agencies to determine if they are still valid or if they can cancel.

**Grant Encumbrances:** [Minnesota Statute 16A.28, Subd.6](#): Encumbrances for grants issued by June 30 may be certified for a period of one year beyond the year in which the funds were originally appropriated. Services rendered under grant contracts may occur during the certification period.

The deadline for certifying valid BFY 2015 purchase orders, canceling unneeded or non-certifiable purchase orders or carrying these forward to BFY 2016 is August 14th, 2015.

## FINANCIAL REPORTING:

For a variety of reasons, an agency may have authority to retain funding beyond a fiscal year or an encumbrance may not require certification. This should not be interpreted as authority for an agency to ignore the encumbrances. Agencies are expected to, when possible, pay from the fiscal year in which goods were ordered or services were provided. This may require an agency to close an existing encumbrance, carry the funding forward and re-establish the encumbrance in the proper fiscal year without regard for appropriation type or funding end date. Please reference [Procurement Year End Processing Tips](#).

**Debt Management Report:** Purchase orders that are in an Appropriation Type 02 with a Bill\_Area attribute of A94 or A96 and Fund 2700, 3510, 3520, 2300, 8250, 3600,4020 or 2820; and purchase orders in Appropriation Type 02 and Funds 3501 are reviewed by the Debt Services Division of MMB.

**Grant Purchase Orders:** [Minnesota Statute 16A.28, Subd.6](#): Purchase orders for grants issued by **June 30th** may be certified for a period of one year beyond the year in which the funds were originally appropriated. Services rendered under grant contracts may occur during the certification period.

Purchase orders for local governmental assistance (previously accounts 44130\* through 44165\*) with legal authority lapsing on or before **June 30th, 2014** must be closed. Services under these purchase orders should have been completed by **June 30th, 2015**.

For a variety of reasons, an Agency may have authority to retain funding beyond a fiscal year or purchase orders may not require certification. This should not be interpreted as authority for an Agency to ignore the purchase orders.

Agencies are expected to, when possible, pay from the fiscal year in which goods were ordered or services were provided. This may require an Agency to close existing purchase orders, carry the funding forward and reestablish the purchase orders in the proper fiscal year without regard for appropriation type or funding end date.

## Requests for Exemption

Agencies must complete the **Exemption Request** column of the Excel spreadsheet for each encumbrance identified as "CLOSE". All encumbrances in this column require an explanation of what needs to occur in order to close the encumbrance and the date the encumbrance is expected to close if it cannot be closed prior to August 14, 2015.



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## **Certifying Purchase orders**

Agency Accounting Coordinators are required to certify purchase orders on the **Encumbrance Certification Report**.

### **1. When can a closed purchase order be reestablished?**

In order for an agency to re-establish an encumbrance closed in error, the agency must submit an AP form to their Executive Budget Officer for approval. In section 1 of the form, request that the budget status be opened. Please include a detailed explanation (including PO ID) of why the encumbrance should be reinstated. These requests should be limited to amounts exceeding \$2,500.

Your Agency Accounting Coordinator must work with your Executive Budget Officer and Agency Assistance to change an "Appropriation Type" or "Funding End Date".

### **2. What do Agency accounting coordinators need to do?**

E-mail the completed Excel file for the **Encumbrance Certification Report** and send the certification statement no later than **August 14th, 2015** to:

Minnesota Management and Budget  
File Maintenance Section  
Attn: Michael Persons  
Phone: 651-201-8178  
FAX: 651-797-1306  
[Michael.Persons@state.mn.us](mailto:Michael.Persons@state.mn.us)

*Partial submissions will be returned/sent to the Agency Accounting Coordinator Director for consolidation / completion.*