



## Office Memorandum

**Date:** May 26, 2016  
**To:** Agency Payroll and Accounting Staff  
**From:** Mary Muellner, Director, Statewide Payroll Services  
**Subject:** Budget Fiscal Year 2016 Closing Deadlines for Payroll

Year-end closing for Budget Fiscal Year (BFY) 2016 is scheduled for August 12. **Please be certain that employees in your agency are aware of these deadlines.**

### **EMPLOYEE BUSINESS EXPENSE REPORTS and BUSINESS EXPENSE TRANSFERS**

All Budget Fiscal Year (BFY) 2016 business expenses (for travel expenses incurred during BFY 2016) must be entered in SEMA4 by the end of the day on July 14. Any business expense transfers for BFY 2016 travel expenses must also be entered by the end of the day on July 14.

- Completed SEMA4 Employee Expense Report forms for expenses incurred in BFY 2016 must be submitted to the agency business expense contact no later than July 14. Since the deadline for entering these expenses is the end of that same day (July 14), agencies are encouraged to set an earlier deadline for their employees.
- Expense reports for expenses incurred in BFY 2016 received after July 14 require a written explanation, approved and signed by the agency head, before the expenses can be reimbursed. These expenses will be posted to BFY 2017.
- Beginning July 1, users must make sure to use BFY 2017 accounts when entering business expenses in SEMA4 for travel expenses incurred in BFY 2017.
- The general rule for business expense is to leave the Accounting Date field blank for the expense to be posted in the current year. During Fiscal Year End when both budget fiscal years (BFY) are open for business expense posting, BFY 2016 expenses require a 06/30/2016 date entered into the Accounting Date field. BFY 2017 expenses will need to have the check date as the accounting date.

For more information, please refer to Minnesota Management & Budget Operating Policy and Procedure PAY0021, [Employee Business/Travel Expenses](#).

### **EMPLOYEE TRAVEL ADVANCES**

All Budget Fiscal Year (BFY) 2016 travel advances, whether short-term or recurring, must be settled no later than pay period ending 7/12/2016. The deadline for entering these travel advance settlements is the end of the day on July 14.

If an advance for BFY 2017 travel must be issued prior to July, follow these instructions:

- Establish the advance as usual, using Trip Start and End dates that reflect the actual anticipated travel dates (even though they may be in BFY 2017).
- Issue the advance from BFY 2016 funds (BFY 2017 advances cannot be paid until July 1).
- To properly settle the advance, the employee should submit the expense report immediately upon the return from the trip. Settle the advance out of BFY 2016 (where the advance was issued) and reimburse the BFY 2017 expenses out of BFY 2017 (where they were incurred).

- If the Trip End Date does not allow you to settle a BFY 2016 advance by the July 12 deadline, you may process a business expense transfer on or after July 1 to transfer the advance to BFY 2017. Then, settle the advance and reimburse BFY 2017 expenses out of BFY 2017 when the employee returns.

Advances for BFY 2017 travel can be entered in SEMA4 using BFY 2017 accounts beginning July 1. However, these must be entered as on-cycle transactions since BFY 2017 advances cannot be paid until July 1.

To monitor outstanding business expense advances, run On Demand Report FIHU0400, *BE Outstanding Adv* (Employee Business Expense Outstanding Advances), each pay period.

For more information, please refer to Minnesota Management & Budget Operating Policy and Procedure PAY0020, [Travel Advances](#).

## **RELOCATION EXPENSE REPORTS and EXPENSE TRANSFERS**

Relocation expense reports with Budget Fiscal Year (BFY) 2016 expenses and requests for expense transfers on relocation payments must be received by Statewide Payroll Services by noon on July 11. Relocation expense reports for expenses incurred in BFY 2016 received after the July 11 deadline require a written explanation, approved and signed by the agency head, before the expenses can be reimbursed. These expenses will be posted to BFY 2017.

## **MASS EXPENSE TRANSFERS**

All mass expense transfers for SEMA4 transactions that posted to Budget Fiscal Year (BFY) 2016 accounts must be completed no later than pay period ending 7/12/2016. These transfers can be entered in SEMA4 until noon on July 22.

Reminder: To move posted payroll expenditures between accounts, you must process a mass expense transfer in SEMA4. You must **not** process an expenditure correction (AP Journal Voucher) in the accounting system for payroll expenditures.

## **AGENCY DEFAULT ACCOUNTS**

Agencies must use report FIHR2190, *Expense Transfer Reconciliation* (DocumentDirect/InfoPac ID HP2190), to identify all SEMA4 transactions that failed to post correctly and are currently accounted for in the agency default (Fund 6401, FinDept ID xxx3PAYC, Approp ID xxxPAYC, where xxx is the agency ID). For example, Fund 6401, FinDept ID G103PAYC, Approp ID G10PAYC.

All items that appear on the report with an accounting date equal to, or prior to, 06/30/2015 must be transferred to a valid account(s) no later than pay period ending 7/12/2016. Transfers can be entered on the Mass Expense Transfer page until noon on July 22.

## **PRIOR PERIOD ADJUSTMENTS**

The last pay period that agencies can process prior period adjustments that affect Budget Fiscal Year (BFY) 2016 accounts is the pay period ending 7/12/2016. Adjustments can be entered until noon on July 15. After the pay period ending 7/12/2016, prior period adjustments entered for dates prior to July 1 can only post to BFY 2017 accounts. Labor distribution for these prior period adjustments will default to the account(s) to which the payment originally posted. Users must change the labor distribution to a valid BFY 2017 account(s). The last pay period to process any retroactive pay adjustments that need to post to BFY 2016 is the pay period ending 7/12/2016.

## POSITION FUNDING

Any necessary position funding updates must be in place no later than noon on July 13. This will ensure that Budget Fiscal Year (BFY) 2017 labor distribution records are built correctly. In addition, it ensures that payroll cost projections are calculated for the correct accounts.

Note: **When adding new position funding records, be sure to leave the Accounting Date field blank.** (The exception to this is for positions that are funded from a continuing appropriation.) If the Accounting Date field is blank, SEMA4 will automatically derive the correct accounting date for labor distribution records based on various date values.

For more information on preparing position funding for the new budget fiscal year, please refer to the [Budget Fiscal Year 2016 Position Funding Changes](#) (PDF) memo dated May 2, 2016.

## CASH RECEIPT TRANSACTIONS GENERATED BY SEMA4

Agencies must verify the cash receipt transactions for pay period ending 6/28/2016. Verification must be completed by noon on June 30. If adjustments between fiscal years are necessary, contact Hongyu Liu at 651.201.8156; or Erin Gregory at 651.201.8077 with questions.

## SPEEDCHARTS

For those agencies using SpeedCharts, changes for Budget Fiscal Year (BFY) 2017 are only needed if a SpeedChart needs to be updated or a new SpeedChart added. If the current accounting strings and percentages of a SpeedChart are correct for BFY 2017, no changes are needed.

The split pay period begins on June 29.

- The SpeedChart row that is used is the one that is in effect as of the pay period end date. There is no mid-pay period proration that happens if you use an effective date that is in the middle of the pay period.
- The recommended deadline for entering SpeedChart changes is June 29 (the pay period begin date). However, the system will include any updates to the SpeedChart up to the point of the user applying the SpeedChart.

## ADDITIONAL INFORMATION

Adhering to the above deadlines will ensure that SEMA4 transactions for Budget Fiscal Year (BFY) 2016 will post to the accounting system by July 22, at the latest. However, if any transaction ends up in error during the July 22 posting, it will post to the BFY 2017 agency default account. The agency must then enter a mass expense transfer to move the expenditure from the default account. By that time, BFY 2016 will be closed and there will be no alternative but to transfer the amount to a BFY 2017 account. This expenditure will reduce the amount available to spend in BFY 2017.

Therefore, please complete all mass expense transfers, prior period adjustments, business expense reimbursements and expense transfers, and any other adjustments **as soon as possible** to avoid having insufficient time to correct unexpected errors.

## QUESTIONS

Agency Payroll and Accounting staff should contact Erin Gregory in Statewide Payroll Services at 651.201.8077 or [erin.gregory@state.mn.us](mailto:erin.gregory@state.mn.us) if there are questions.

**PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF**