



The City of Yonkers Finance Department

Fiscal Year-End Closing Instructions
for the Fiscal Year Ending June 30, 2016

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Commissioner

Fiscal Year End Closing Calendar

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PROCUREMENT

Departments requiring Purchase Orders (POs) by June 30, 2016 will be unable to enter Requisitions for approval in Oracle after **May 20, 2016**. Therefore, departments are required to estimate their expenses thru the end of Fiscal Year 2016 in *advance*. This can be done via **Requisitions** and utilizing **Blanket Purchase Orders (BPOs)**.

Requisitions

- a) All Requisitions need to be initiated in Oracle by **May 20, 2016**.
- b) For contractual services that will occur *through June 30, 2016*, you must enter an estimated (higher) Requisition by **May 20, 2016**. Requisition requests must support the estimate and will follow the normal workflow approval process.
- c) Any requisitions entered **after** May 20, 2016 **will not be approved**.
- d) Departments must wait to enter Fiscal Year 2017 Requisitions until after the budget is loaded into New World on **July 11, 2016**.

Blanket POs

- a) The Purchasing Department has established open purchasing agreements with select local vendors and issued BPO's that will allow multiple purchases under the agreement.
- b) Once a BPO has been assigned to a vendor, authorized City personnel can purchase commodities (by pick-up only) using the same agreement number for each purchase.

EXPEDITED PROCUREMENT (AFTER THE REQUISITION CUTOFF DATE ONLY)

To make *emergency procurements* or *unanticipated payments* by **June 30, 2016** for items *not previously set up as a REQUISITION or PURCHASE ORDER.*

1. An *emergency procurement* refers to the purchase of goods and services that requires a contract per the City's procurement policy. Departments are to enter a Requisition into Oracle detailing the emergency requiring immediate procurement. The Requisition will be reviewed for approval by Finance on a case by case basis.
2. An *unanticipated payment* refers to the payment of good and services that do not require a contract per the City's procurement policy. A request for payment of **non-contract items** may be made via the **Oracle Claim Form** (*Appendix A*). An Oracle Claim Form should only be submitted if the department **requires a physical check by June 30, 2016**. The following Fiscal Year 2016 *non-contract items* may be paid on claim beginning May 23, 2016 thru June 30, 2016:
 - a. Employee reimbursements (meal/shoe allowances, petty cash)
 - b. Utilities (including Ready-Refresh water, internet service)
 - c. Subscriptions, advertising, trade & professional publications
 - d. Membership/organizational dues
 - e. Travel, conference, tuition, lodging expenses
 - f. Trust and agency funded expenses
 - g. Postage/shipping charges
 - h. Refunds (tax, recreational, water & sewer, permits, tickets)
3. Requestor Department is responsible for tracking available balances and not to exceed budgeted appropriation. Departments have access to Funds Inquiry and should check before submitting claims for review and approval.
4. Budget will check funds availability before approving and claims will be returned to Departments for alternate funding line and re-approval.
5. If approved, Budget will then forward claim form to the Finance Commissioner for final review and approval via email.
6. If approved, the Finance Commissioner will route finalized claim form to Accounts Payable for payment. Departments are urged to submit Oracle Claim Forms by **June 24, 2016**. Otherwise, departments should follow the *Manual Accrual Process* to apply charges to Fiscal Year 2016 (*See Requesting a Manual Accrual Section*).

ONLINE RECEIPTS/WORK ORDER CONFIRMATIONS

As you process online receipts/work order confirmations, please record the receipt number and dollar amount to be paid on the face of the Purchase Order and forward to Accounts Payable (AP) for scheduling payment.

AP must receive the transmittal Purchase Order, to alert staff that online receipt/work order confirmation has been completed and invoice auditing/payment scheduling may ensue. (Oracle System does not automatically notify AP staff when online receipts are processed.)

The last date to process online receipts/work order confirmations for Fiscal Year 2016 payments is **June 17, 2016**.

Online Receipts/Work Order Confirmations

- a) All online receipts/work order confirmations need to be initiated in Oracle by **June 17, 2016**.
- b) Unpaid online receipts/work order confirmations **will not** be converted to New World. Any online receipts/work order confirmations entered **after** June 17, 2016 will be **undone** in Oracle by Finance.
- c) If a department receives goods/services during the period of June 17, 2016 thru June 30, 2016 – they must request a *Manual Accrual* to charge these expenditures to Fiscal Year 2016 (*See Requesting a Manual Accrual Section*).

INVOICES AND MISCELLANEOUS CLAIMS

Invoices and any miscellaneous **Fiscal Year 2016** claims (inclusive of employee conference/mileage reimbursement requests) must be submitted to AP by **June 24, 2016**.

Should there be any price discrepancies/backorders/damaged merchandise returns/credit memo's due, etc., please indicate same on PO top sheet and include packing slips/price quotes, and/or, for Staples orders, a copy of online order form, to assist AP staff with invoice/order reconciliation.

If there is any deviation from original purchase order (price discrepancies, substitution of merchandise, additional items order, etc.), please reach out to Purchasing, as a change order will be required. **All change order requests must be submitted to Purchasing by June 3, 2017.**

Departments may continue to send invoices to AP for payment after June 17, 2016. Invoices received after the cutoff will be scheduled for payment after the New World go-live.

REQUESTING A MANUAL ACCRUAL

The Finance Department will be calculating Manual Accruals based on the review of open purchase orders (encumbrances) related to contractual services ending June 30, 2016 (*See Encumbrances Section*).

Departments may also request a *Manual Accrual* in the event of an unforeseen emergency *after* the online receipt/work order confirmation cutoff date of June 17, 2016 that **requires expenditures to be charged to Fiscal Year 2016**.

Manual Accrual Request may be made by emailing the Finance Department. Contacts are Patrick Luzzi, Chief Accountant at: patrick.luzzi@yonkersny.gov. and Maria Tavares, Director of Accounting at: maria.tavares@yonkersny.gov. The email must contain:

1. A specific request to accrue expenditures per the **Accrual template** to Fiscal Year 2016 (*See Appendix B*). Department Certification must be signed by Department Head.
2. Documentation must accompany your request as a PDF attachment. Original documentation must be retained on file and available for review upon request
 - a. For goods:
 - i. Vendor invoices
 - ii. Proof of delivery dated June 30, 2016 or prior
 - b. For services:
 - i. Vendor invoices supporting dates of service

All Manual Accrual requests must reach the Finance Department by **August 1, 2016**.

PAYMENT OF MANUAL ACCRUALS

1. When **bills** for payment are eventually received for **Manual Accruals**:
 - a. Departments **will not** be able to process online receipts/work order confirmations in New World for Fiscal Year 2016 expenditures
 - b. Departments must submit a **claim** to Finance for payment and mark **“FY 2016 Accrual”** on the top of the claim form when a partial or full payment is required.
2. Due to the sensitivity of the audit and the New World conversion, Fiscal Year 2016 claims must be **sent to the Accounting Unit for approval**.

Requests for payment of Manual Accruals must be sent to Patrick Luzzi, Chief Accountant at: patrick.luzzi@yonkersny.gov. and Maria Tavares, Director of Accounting at: maria.tavares@yonkersny.gov. Upon approval, the Accounting Unit will forward the claim for payment to the Accounts Payable Unit.

At no time should the total amount to be charged for a particular department account code structure exceed the Manual Accrual originally established on the Manual Accrual request.

ENCUMBRANCES

Generally Accepted Accounting Principles (GAAP), stated by the Governmental Accounting Standards Board (GASB) requires that outstanding encumbrances at year-end not be recorded as expenditures. Encumbrances in Oracle are Open Purchase Orders (POs). *Therefore if the goods or services referenced by a PO have not been received by June 30, 2016, the PO may “Roll” to the following fiscal year, with no expenditure charged against Fiscal Year 2016.*

In preparation for the Fiscal Year 2016 close, emails were sent to departments beginning in March requesting review of “older open POs.” Departments provided instructions for POs that could be closed and comments to support keeping POs open and for how long.

The Finance department runs open PO reports monthly and defines “older open POs” by number. Departments are contacted to review *new* “older open POs” only on a monthly basis.

Finance will inform departments of the final actions being taken on open POs by June 20, 2016, before the final cut over to New World:

- 1) **PRE-2016 GOODS:** Open Goods POs dated back to FY14-15 or earlier that have already rolled once. A PO cannot/should not roll for two years. **Finance will be closing all POs labeled as this type.**
- 2) **SERVICES:** Open Service POs ending 6/30/16 where the work confirmation has not been entered into Oracle by 6/17/16. These are considered “annual expenses” and imply that the Service PO was initiated for an estimated charge for the year – all represent annually funded appropriations.
 - a) **Finance will be accruing all POs labeled as this type due to the cutover to New World.** POs will be closed and **requests for payment must be made via Claim in New World.** Charges will remain against the Fiscal Year 2016 budget (*See Payment of Manual Accruals Section*).
 - b) Departments are instructed to enter a new PO for Fiscal Year 2017 in New World for annual expenses.
- 3) **ROLL:** Open POs that appear to be **candidates to be rolled from FY 2016 to FY 2017.** Goods were not received on or before June 30, 2016. Finance will review to determine whether the open PO will be rolled into FY 2017 along with a corresponding increase in the FY 2017 budget.
- 4) All Open POs equal to zero are being reviewed by Finance **to be closed.**

All POs identified for closure above will be closed as part of the cutover to New World.

Please note that the consequences of closing a PO is that departments can no longer receive, invoice and pay against the PO.

GRANT REVENUE

The *grant voucher tracking sheet* established a method of communication between the City's grant-receiving departments and the Finance Department. Departments must complete a comprehensive update of the *grant voucher tracking sheet* for Fiscal Year 2016 by **August 12, 2016**.

Grant Revenue Procedures

1. Departments must submit a final listing of all their **grantor billings** (vouchers/claims sent out), regardless of the status of the receipt of payment to the designated Grant Revenue Monitor in the Finance Department, Paul Franco at: paul.franco@yonkersny.gov by **July 15, 2016**.
2. Departments must follow up with grantors and keep the Finance Department informed of these actions through regular status updates.
3. The Finance Department will continue to record **cash receipts of grant revenue** on the *grant voucher tracking sheet* and make available via Sharepoint. Departments should review for accuracy and reconcile all Fiscal Year 2016 receipts by **August 12, 2016**.